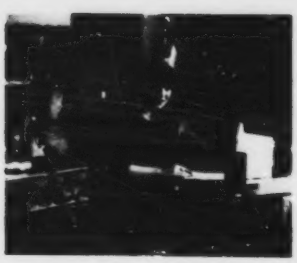
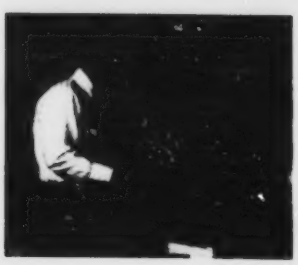
STARTING A SMALL BUSINESS IN ONTARIO

A Sound Business Approach to Setting Up Your Own Company





MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE

Additional copies of

STARTING A SMALL BUSINESS IN ONTARIO

may be purchased

In person from:
Publications Ontario
880 Bay Street
Toronto, Ontario

By mail order from:
Publications Ontario
Mail Orders
50 Grosvenor Street
Toronto, Ontario
M7A 1N8
Telephone: (416) 326-5300

By toll-free call:
1-800-668-9938
(Outside 416)

Prepayment is required, and may be made by VISA or MASTERCARD as well as cheques and money orders, made payable to "Minister of Finance".

Le document Fondation d'une petite entreprise en Ontario est disponible en Français.

107857
101-01762/

INTRODUCTION

Starting a small business can be a great and rewarding undertaking, provided you are equipped with the proper tools. This book will help you discover those tools, and will direct you to the many services and opportunities available to you.

Many textbooks have been written on the operation of small businesses. These are available through public libraries and bookstores, and it is not the purpose of this publication to duplicate or attempt to summarize what has already been done.

Instead, we hope to make prospective business people aware of the basic requirements, and assist them in evaluating both themselves and the business being contemplated.

In short, this is not a "how to" book, but concentrates rather on "what to do" before making any investment of time or money.

It also stresses that the dominant factors required for the success of any business are thorough planning, dedication, experience, adequate financing and hard work.

The information in the publication is current at the time of printing, to the best of our knowledge.

ACKNOWLEDGMENTS

In the preparation of this book, we have drawn on many sources of information. These include other ministries of both the provincial and the federal government; banks and other financial institutions; various business textbooks; publications of the Small Business Administration (Washington, D.C.); and many other sources.

These other sources are credited in the section in which the information appears. We also wish to thank Royal LePage Commercial Real Estate Services, Toronto, for its guidance in the preparation of the information on leasing of retail, commercial and industrial space, and how to own your own office space; and the Insurance Bureau of Canada for its assistance in the preparation of the information on surety bonds.

PLEASE HELP US TO SERVE YOU BETTER

Please give us a moment of your time. You can help us improve our services. Simply remove this reply card, fill in the information and mail it to the address at the bottom of the card. If preferred, fax the information to (416) 325-6538. Your response will be held in the strictest confidence. Thank you.

Ontario

0 1

PLEASE PRINT

SURNAME | GIVEN NAME

NAME OF YOUR BUSINESS (if already registered)

ADDRESS (Business or home)-(indicate number, street, apt./suite)

CITY | POSTAL CODE | TELEPHONE (Area Code)

NOTE: ENTER APPROPRIATE LETTER IN BOX AT RIGHT, WHERE APPLICABLE

SEX
M or F

AGE GROUP
A. UNDER 30 B. 30-50 C. OVER 50

BUSINESS STATUS
CURRENTLY
A. OPERATING
INVESTIGATING
B. POSSIBLE START-UP
PLANNING START-UP WITHIN
C. MAXIMUM 3 MONTHS

BUSINESS TYPE
A. SERVICE B. RETAIL C. MANUFACTURING

EMPLOYEES
HOW MANY EMPLOYEES, OTHER THAN YOURSELF, WILL YOU BE STARTING WITH?
OR, IF YOU ARE CURRENTLY IN OPERATION,
HOW MANY EMPLOYEES DO YOU PRESENTLY HAVE?
FULL TIME | PART TIME

INVESTMENT
HOW MUCH MONEY WILL YOU BE INVESTING/HAVE YOU INVESTED IN YOUR BUSINESS?

A. $4,999 OR LESS	B. $5,000-$9,999	C. $10,000-$14,999	D. $15,000-$19,999	E. $20,000 AND OVER

SALES
IF YOU ARE CURRENTLY OPERATING A BUSINESS,
WHAT ARE YOUR TOTAL ESTIMATED SALES FOR THE NEXT 12-MONTH PERIOD?

A. $24,999 OR LESS	B. $25,000-$99,999	C. $100,000-$249,999	D. $250,000-$499,999	E. $500,000 AND OVER	F. N/A-BUSINESS IN OPERATION LESS THAN A YEAR

BUSINESS REGISTRATION
HOW WILL/HAS YOUR BUSINESS BE/BEEN REGISTERED?

SOLE
A. PROPRIETORSHIP B. PARTNERSHIP C. CORPORATION

Personal information contained on this form is collected under the authority of the Ministry of Industry, Trade and Technology Act, R.S.O. 1990, and will be used to provide statistical information on entrepreneurs in order to study small business trends in Ontario. Questions about this collection should be directed to: Entrepreneurship Development, Hearst Block, 900 Bay Street, Toronto, M7A 2E1, Telephone: (416) 325-6522.

Detach

CONTENTS

CHAPTER 1 4
The Entrepreneur

GLOSSARY 8

CHAPTER 2 19
The Business

CHAPTER 3 42
Regulations, Registrations, Incorporations and Licences

CHAPTER 4 52
Special Regulatory Licences

CHAPTER 5 59
Taxation

CHAPTER 6 68
Patents, Trade-Marks, Industrial Designs, Copyrights

CHAPTER 7 80
Certification

CHAPTER 8 83
Labour Regulations

CHAPTER 9 88
Sources of Information

CHAPTER 10 101
Bibliography

INDEX OF TOPICS 104

CHAPTER 1:

THE ENTREPRENEUR

So you want to be an "entrepreneur"! You have made a very important decision, but have you really considered all the implications?

THE PERSON

Almost everyone has thought about starting a business at some point: the independence it would bring; the thought of being your own boss; the opportunity to earn profits; the idea of being a decision maker; and the freedom from routine. All these are powerful motivating factors. But the decision to enter into business cannot be solely based on emotion. The decision will affect your personal life in many ways, some of which this book will discuss in detail.

To be an entrepreneur is to be a risk taker. At the heart of every new business is an entrepreneur; someone not content to leave things as they are, but wanting to strike out on his or her own. This individual brings two important ingredients to the new business: confidence in an idea and a willingness to accept the hard work and long hours necessary for success.

Confidence and hard work are starting points, but there are other considerations:

- the need for your product or service;
- a self-evaluation of your preparedness;
- a basic understanding of the business you are entering;
- the development of a business plan; and, most importantly,
- money.

All of these aspects of starting and operating a business will be important to the success of your idea. Some must be attended to at the outset, others will become more important as you proceed, but all of them will require your attention sooner or later.

TAKING STOCK

The decision to enter business and the choice of which business to enter must be your own. Before you set the wheels in motion, it is important for you to evaluate your motivation and capabilities.

Prior to opening this book, you will have considered the possibilities for:

- personal satisfaction;
- the accumulation of wealth;
- independence.

A successful business can offer you all of these, but ask yourself:

- Why do I want to be in business? Am I confident I can succeed?
- Do I have any experience in my choice of business and if not, how do I obtain it?
- Am I a risk taker? Do I understand the implications of my decision?
- Should I maintain my current employment or will my business provide an adequate income by itself?
- Is my family supportive and understanding?

Being your own boss can offer great personal satisfaction, but with it comes the responsibility for making and living with your decisions. The right decision offers profit and success. The wrong decision can cost you money. Too many wrong decisions can put you out of business. Your decision to enter business will have implications for your lifestyle. Operating a business will affect your privacy, friendships and security, as well as your financial status.

Now that you've considered some of the personal implications of starting your own business, you must assess your financial position. It should become part of the business plan you develop before making that final decision to go into business.

To assist you in this, and in the following sections of the book, a glossary of business and financial terms is included at the end of Chapter 1.

Rewards, Risks and Pitfalls

Being in business brings with it not only rewards but also inherent risks and pitfalls. At the earliest stages of development it is particularly important to minimize the risks in order to maximize the rewards. Two factors can help tip the scale in a positive direction: development of good business management skills and a well-thought-out business plan with a sense of direction and a yardstick for success.

Management

Management means much more than giving orders. It involves the maximum utilization of money, people and other resources to achieve the desired result. It also involves keeping and interpreting records to evaluate changes, trends and weaknesses.

According to Dun & Bradstreet, the largest single cause of business failure in Canada is poor management. If you are the owner or partner in a small business, its success or failure will depend on your management skills. Those skills will be tested even before the business is established.

Experience is the greatest of all teachers. Through it, you learn to avoid mistakes and anticipate the consequences of any given action, plan alternatives, gauge your resources and profit from advantages. If you have no experience in the type of business that you propose to start (or a similar business), you would be well advised to work for a while for someone else who is already established.

You must have confidence in yourself. Confident people take the initiative - people who take the initiative are decision-makers and decisions are pivotal in business.

If your confidence is based on knowledge and experience, you are much more likely to be successful.

Going into business always involves some risk. You can reduce that risk factor by careful planning. Your chance of success will depend to a very large extent on how well you have examined all aspects of the operation you are proposing to start.

Planning

Hard work and a marketable product or service are important to a business - but they aren't enough. In order to succeed, you need to establish detailed, obtainable objectives and goals plus definite time limits for reaching them.

To help you make these vital decisions - and to aid potential advisors in your business in understanding them clearly - it is important for you to prepare a business plan. This will enable you to be forewarned of any problems you might encounter in the future and, at the same time, you'll be prepared to take advantage of opportunities when they come your way.

The Business Plan

The business plan is a written summary of the overall activities of your enterprise. It is a report on the company's sources and use of funds, management personnel, labour relations, products, marketing strategy, production techniques and research. It describes the past, present and future of your operation.

A typical business plan begins with a summary of your idea, the market need, the amount of capital required and the projected financial results expressed as a rate of return. Follow this with a table of contents and then the plan itself.

The first component should describe the background of the business and a brief outline of the basic operation. It's necessary as well to include information about how your company is organized and who is involved, in order to establish that management is capable of carrying out the plan.

Follow this with your plans for marketing, which must convince the reader that your company has a product, process or service that is different and worthy of support.

The final component is financial; here you should explain your projected income and expenses month by month.

Other Resources

The Ministry of Economic Development and Trade has prepared workbooks which you may find useful as you plan your business. Each workbook covers theory, examples of putting the theory into practice and blank forms for your use. Topics include: How to Prepare a Business Plan, which enlarges on the information given here; and Marketing for a Small Business, which illustrates the importance of marketing and how to develop a marketing plan for your business.

These publications are available for a modest fee from your local Business Self-Help Office/Small Business Enterprise Centre (see page 89 for locations) or from Publications Ontario, to order by mail or telephone.

GLOSSARY OF BUSINESS TERMS*

A

accountant
one who is skilled at keeping business records. Usually, the name "accountant" refers to a highly trained professional rather than one who keeps books.

account
a record of a business transaction or "deal". When you buy something on credit, the company you are dealing with sets up an "account". This means it sets up a record of what you buy and what you pay. You will do the same thing with any customers to whom you extend credit.

accounts receivable
a record of what is owed to you. All of the credit "accounts" - the record of what each customer owes you - taken together are your "accounts receivable".

analysis
breaking an idea or a problem down into its parts or a good examination of the parts of anything. In business you must "analyze," that is, make an "analysis" of, a problem before you can decide on the best solution. Let's say that your problem is some item that isn't selling well. You "make an analysis" by gathering all the facts as to why the item is not selling.

asset
anything of worth that is owned. Your personal assets (not counting your abilities) are the money you have in your pocket or in the bank, whatever is owed to you, any securities that you own, the property you own, whatever part of your home that you own, your furniture and appliances and all the miscellaneous things that you personally own. The assets of a business are just the same: money in the bank, accounts receivable, securities held in the name of the business, property or buildings, equipment, fixtures, merchandise for sale or being made ready, supplies and all things of value that the business owns.

***Reproduced with permission of the United States Federal Small Business Administration, Washington. (Revised to reflect the Canadian context.)**

articles of incorporation
a legal document filed with the province and/or federally that sets forth the purposes and regulations for a corporation. These papers must be approved by the province and/or federally before a corporation legally exists and is allowed to do business.

B

bad debts
money owed to you that you can't collect. A business should never give credit or loan money to anyone who is not a good risk. But you can't be positive you are going to collect everything from those to whom you do give credit or money.

balance
the amount of money remaining in an account. The total of your money in the bank after accounting for all transactions (deposits and withdrawals) is called a "balance".

balance sheet
an important business document that shows what a business owns and owes as of the date shown. Essentially a "balance sheet" is a list of business assets and their cost on one side and a list of liabilities and owners' equity (investment in the business) on the other side with the amount for each. The liabilities include all that the business owes.

bookkeeping
the process of recording business transactions in the accounting records. It is very important to keep accurate and complete financial records and a good bookkeeping system will be a great help.

break-even point
where the income is equal to the outgo. The level of business at which the revenue (income) exactly equals the expenses (outgo).

budget
a plan expressed in money terms. How much money do you need to run the business? How much money do you think will be coming in?

C

capital
available money to invest or the total of accumulated assets available for production. Put another way, your capital for going into business is the total of your property and money resources that you can make available for the business and whatever you will need to live on while getting the business going.

capital requirement
a list (or schedule) of expenses that must be met to establish a business. Even before a business is started, the owner should start keeping records.

cash
money in hand or readily available. Currency - hard money, bills and negotiable securities (like cheques) - in your cash drawer is cash. But so is the money you can draw on demand - your bank accounts or savings accounts also represent "cash". Cash is what you must have to keep a business going and it isn't unusual for even a very successful business to run out of "cash" particularly as the business is growing.

cash discount
a deduction that is given for prompt payment of a bill. Even though the amount seems small, about 2 percent, when figured over a year it is important. A 2 percent discount for paying within 10 days is the same as getting 36 percent interest on your money for the year.

cash receipts
the money received by a business from customers. "Cash receipts" are to a business what food and water are to anything living. A business can survive just so long on its stored up capital.

contract
an agreement regarding mutual responsibilities between two or more parties. In business law a "contract" exists when there has been a meeting of minds - whether or not the contract is written. However, contracts are usually in written form but should never be taken lightly because they legally bind the parties to the agreement.

controllable expenses
those expenses that can be controlled or restrained - by the businessperson. Some of the costs of doing business can be postponed or spread out over a longer period of time. For example, depreciation on equipment is a "controllable" expense in the sense that it isn't required if one puts off obtaining new equipment until the level of business is such that it can support the new purchase and its depreciation allowance.

corporation
a business venture comprising an individual or a group of individuals treated by the law as an individual. A business corporation is an artificial personage, created by a charter, which can do business as a separate entity the same as individuals can do in a sole proprietorship or a partnership.

co-signers
joint signers of a loan agreement, pledging to meet the obligations in case of default. When you ask someone to "co-sign" a note, you are asking them to share a debt with you if you can't pay it back. They guarantee the loan will be paid back and the lender can take legal action to take their property if they refuse to pay.

credit
credits and debits are used in bookkeeping to record transactions. To credit is to place an entry on the right side of an account. A credit in an asset account makes it smaller. A credit in a liability account makes it larger. Another definition: The business owner's reputation for prompt payment of obligations, as in "a good credit rating."

D

debit
debits and credits are used in bookkeeping to record transactions. To debit is to place an entry on the left side of an account. A debit in a liability account makes it smaller. A debit in an asset account makes it larger.

debt
that which is owed. If you borrow money, buy something on credit or receive more money on an account than is owed, you have a "debt" - an obligation to pay back whatever amount of money or goods is involved. Going into "debt" was once considered a sin but can be a useful and often necessary way of doing business.

default
failure to pay a debt or meet an obligation. Any debt is a trust and failure to pay it is a violation of a high obligation.

demand
a*n order to comply with an obligation.* In business we speak of paying on "demand". This simply means that the obligation must be satisfied immediately when requested. Contracts are often written with a "pay on demand" clause. This means just what it says: the debtor must pay when asked if the terms of the contract agreement have been met.

depreciation
a decrease in value through age, wear or deterioration. All of the equipment that you buy for a business begins to depreciate immediately and is worth something less as it continues to be used. Depreciation is a normal expense of doing business that must be taken into account.

E

entrepreneur
a person who organizes and manages a business.

equity capital
personal resources. In order to go into business, you must put up savings or property. You do it in hopes of getting a good return on your personal investment.

F

financing
obtaining money resources. Businesses usually have to obtain financing at some time - either to go into business or expand operations (hopefully not just to stay in business).

financial statements
documents that show your financial situation. Two major statements are needed to cover the information necessary to run a business and get financing. (Income statement and balance sheet.)

fixed expenses
those costs that don't vary from one period to the next. Generally, these are expenses that are not affected by the volume of business. Rent, for example, must be paid whether or not any business is accomplished.

franchise (franchisor, franchisee)
a right or privilege to deal in a certain line or brand of goods and services. A franchising company (franchisor) is in the business of "selling" businesses or brands to small businesspersons. Usually, the franchisor and the businessperson who agrees (franchisee) enter into a binding contract where the franchisor supplies the product, materials and a certain amount of know-how and the franchisee agrees to handle the product exclusively and run the business according to certain standards prescribed by the franchisor.

G

gross
overall total before deductions. Another way to put it is that "gross" means the whole amount. A businessperson has to learn early the difference between "gross" and "net" figures.

I

income
money coming in. In a business sense, "income" is really pretty much the same for the business as for an individual.

income statement
a financial document that shows how much money (revenues) came in and how much money (expenses) was paid out. Subtracting the expenses from the revenues gives you your profit and all three are shown on the income statement.

industry ratio
the standard or "average" percentage of expenses spent by firms in a similar type of business (i.e. firms in the same industry). These "industry ratio" figures are very important guidelines for a business.

interest
the cost of borrowing money. Just as you are interested in a return on your investment in your business, return on investment is a concern to the lender of money.

inventory
a list of assets being held for sale. If you are in a retail business, the stock you have on the shelves is "inventory" but then so are your available supplies, goods received or stored and any expendable items on hand.

invest
lay out money for any purpose from which a profit is expected. One way to evaluate whether an investment in a business is worthwhile is to consider what you would receive on that same amount of money put into a low risk investment.

itinerant seller
one who sells, services or negotiates a contract for the sale of goods or services at a place other than the seller's permanent place of business. Examples are home improvement, repairs of various types and door-to-door selling.

L

lease
a long term rental agreement. A "lease" arrangement is mutually advantageous to both the lessor (renter) and the lessee (one who rents). The agreement gives the landlord assurance that the property will be rented and protects the renter because it assures that the business property will not be rented out from under the business.

liability insurance
risk protection for actions for which a business is liable. Insurance that a business carries to cover the possibility of loss from lawsuits in the event the business or its agents were found at fault when an action occurred.

limited partnership
a legal partnership where some owners are allowed to assume responsibility only up to the amount invested. The idea for a limited partnership is that some investors may put up money for a business venture without being directly involved in its operation and so are not held responsible for the debts of the other partners beyond the possible loss of money they have invested.

liquidate
to settle a debt or to convert to cash. This literally means to do away with.

loan
money lent at interest. A lender makes a "loan" with the idea that it will be paid back as agreed and that interest will be paid as a sort of "rent" for the use of the money.

M

management
the art of conducting and supervising a business. It isn't enough to just invest money in a business - the business must be nurtured, protected and helped along to success. Managers do more than manage people, which most everyone understands, for they must also manage things.

marketing
all the activities involved in buying and selling a product or service. You must know most of the following things to market successfully:

- Who is going to buy?
- What is it they want?
- Where will they go to get it?
- How much will they pay?
- How much will they buy?
- How will you sell it?
- How much profit do you want?

merchandise
goods bought and sold in a business. "Merchandise" or stock is a part of inventory.

N

net
what is left after deducting all charges. (see "gross")

O

operating costs
expenditures arising out of current business activities. In other words, your "operating costs" for any period of time are what it cost you to do business - the salaries, electricity, rental, deliveries, etc., that were involved in performing the business dealings.

operating ratios
the relationship of costs from business activities. What percentage of your costs went for rent? How does it compare with other businesses like yours?

owner manager
one who owns and operates a business. One of the greatest assets that an "owner manager" has is flexibility to meet problems.

partnership
a legal business relationship of two or more people who share responsibilities, resources, profits, and liabilities. Partnerships are built on mutual trust and friendship, but should still have the agreement in writing.

payable
ready to be paid. One of the standard accounts kept by a bookkeeper is "accounts payable."

personnel
persons collectively in the employ of a business. As a small business grows, it will need people to handle the expansion of business and carry out the work of the business. Your personnel are a part of your business and deserve consideration as full-fledged members of the firm even though they may not share in the firm's ownership or profits.

plan
a plan is a formal decision to do something, then figuring out how you are going to do it before you start. You must answer the questions of what? where? when? how? and why? You should plan first then do. (See budget.)

posting
to enter in an account. Literally, "post" means to give a position to something, so when you "post" figures in a ledger, you are assigning them their right position in the firm's account books.

pricing
to set the selling price. One of the most difficult jobs in business is selecting the right price. Pricing should be done very carefully. You have to consider how much profit you need, what your competition is charging, and how much your customers are willing to pay.

principal
property or capital assets as opposed to income; also, one who is directly concerned in a business enterprise. This is another of those confusing words with more than one meaning, but if you really consider that it means "the first in importance," whether we are talking about people or capital assets, the meanings make more sense.

profit
financial gain; returns over expenditures. Simply put, "profit" is what you've got left after paying for everything.

profit margin
the difference between your selling price and your costs. A lot of factors affect profit margin both inside and outside the business. A reasonable profit margin is necessary to remain in business.

profit and loss statement
a list of the total amount of sales (revenues) and total costs (expenses). The difference between revenues and expenses is your profit or loss. It is also called an "income statement".

proprietorship
subject to exclusive ownership. A "proprietor" is one who owns a business and a business owned by one person is called a "proprietorship".

R

ratio
the relationship of one thing to another. A "ratio" is a shortcut way of comparing things that can be expressed as numbers or degrees.

receivable
ready for payment. When you sell on credit, you keep an "accounts receivable" as a record of what is owed to you and who owes it. In accounting, a "receivable" is an asset - it represents money that is owed to you.

reserve
that which is held back or stored for future use or in case of emergency. The success or failure of many young businesses depends on their abilities to weather a financial crisis.

retail
selling directly to the consumer. Selling in large quantities to dealers for resale is a "wholesale" activity, while selling in small quantities directly to people who will use the product is called "retail".

S

secured
protected or guaranteed. "Secure" means to make a thing safe, so when we speak of a "secured loan" we mean to make it safe or protect it by putting up something of value as collateral, as a guarantee of repayment.

service business
a retail business that deals in activities for the benefit of others.

T

terms of sale
the conditions concerning payment for a purchase. A very important source of saving.

tangible
something that is real. Literally, "tangible" means that the thing is such that you can touch it, but the meaning for business is something that can be seen and evaluated.

V

volume
an amount or quantity (of business). The "volume" of a business is the total it sells over a period of time.

W

wholesale
selling for resale. (See retail for explanation.)

CHAPTER 2:

The Business

Once the decision has been made to enter into business, and the type of business has been chosen, it is time to decide how to begin.

This chapter discusses three different kinds of entrepreneurship: opening an entirely new business, buying an existing business, and operating a franchise. Each has its advantages, each its inherent disadvantages.

This chapter will also consider some of the basic factors of business and management common to all new companies.

THE NEW BUSINESS - STARTING FROM SCRATCH

This is the route chosen by most first-time entrepreneurs. Risk tends to be the highest in new business, but it offers the individual the greatest amount of personal freedom in determining company direction, new markets, or development of a new product or service.

Starting a business requires spending time on planning and clearly understanding how it will operate. Since most businesses start modestly, with low overhead and minimal staff, the owner manager very often must be all things to the business. This means long hours, having a clear understanding of all business aspects of the new enterprise and a need to follow a predetermined course. Failure to do so often leads to a breakdown in basic business functions, loss of control of the business's direction, and an inability to determine where the company stands in the marketplace. Those circumstances can lead to business failure at a very early stage.

It is important that the individual recognize personal limitations and thoroughly plan and understand the new business. This will greatly enhance the chances of success. In the end, a successful entrepreneur, having started from scratch and succeeded, will gain great satisfaction from the experience and achieve that level of freedom originally sought.

Some things to consider about starting from scratch:

Advantages

1. Potential lower overhead and lower start-up costs;
2. Greatest personal freedom;
3. Ability to enter new markets or introduce new products;
4. Ability to change business practices or direction quickly.

Disadvantages

1. Greatest risk;
2. Requires significant personal and business planning;
3. Clientele must be developed.

Buying an Existing Business

For the first-time business owner, an existing business offers many advantages such as an established clientele, a business method, perhaps inventory and premises and, in some cases, a reputable name. One very important question must be answered however; why is the business for sale?

Before purchasing a business, insist on reviewing financial statements for as many previous years as possible, up to five years, and obtain lists of clients/customers and suppliers. All leases and outstanding contracts must be reviewed. It is recommended that professional advice be sought to help complete the transaction (get an accountant to review financial information and a lawyer to review leases etc., in order to prepare the purchase agreement).

The two most important questions to ask are why is the business available and what is its true worth? The latter is a bit easier to answer, through professional advice/assessment. While this will be an added expense, an intelligent appraisal can go a long way to saving thousands of dollars.

Why the business is for sale and how good a risk it is are more difficult questions to answer. It is most important that as many questions as possible be answered before the transaction is complete.

- Why do I want to buy this business?
- Why does the owner want to sell?
- Does the business have a future?
- Will I feel comfortable and knowledgeable in operating this business?

Is all the information about the financial and customer aspects of the business readily available and willingly turned over by the seller?

Advantages

1. Limited risk;
2. Significant personal freedom;
3. Established service/product, clientele, method of operation, staff and name;
4. Cash flow is being generated;
5. Relationship established with suppliers and banks.

Disadvantages

1. Product/service may be obsolete or market shrinking;
2. No growth potential;
3. Accounts receivable may be too high or uncollectable;
4. Seller may have hidden reasons for selling that have resulted in business deterioration over a period of years.

Entering the marketplace by "purchasing a franchise" can be one of the best ways for the entrepreneur to launch a successful business.

Franchising in Canada continues to grow at a significant rate. Franchise sales in Canada in 1998 were estimated at $90 billion; approximately 48% of all service and retail sales.

There are good reasons for the rising popularity of the franchising method. In theory at least, the person who operates a franchise gets the best of two worlds - the freedom of running an independent business, coupled with the security of working for a large company. As well, he or she doesn't need to be a business expert to run a franchise successfully, because of the training systems and ongoing support that most franchisors continually provide. Best of all, the risk of failure can be a small fraction of that faced by an independent business. Please remember, however, that purchasing a franchise is not a guarantee of financial success for the franchisee.

What is Franchising?

Franchising is essentially a marketing technique used by many companies to distribute products and services. The franchisor supplies the product or service to the franchisee who in turn makes it available to the public.

Is Franchising for You?

Franchising isn't for everyone. To be successful in franchising requires you to fit within the framework of an established system. If you are too independent and too entrepreneurial to accept rules and regulations which someone else has instituted, then franchising may not be for you. It is a fundamental requirement of each franchise system that each unit within that system appears to be similar in every respect. Thus, you the franchisee must be a team player.

Investigate Before Investing:

Franchisors vary enormously as to their size and market experience. Some of the best known franchisors are large, well-established Canadian or international corporations, but many others are relatively small companies that have been started up quite recently. While size alone will not determine how well a franchisor supports its franchisees, joining a new franchise system, or one expanding into a new territory does represent a greater risk to a prospective franchisee. A new franchisor will not have the market presence of its established competitors. It may also still be in the process of developing its franchise system, and a full range of support services may not yet be in place. If the franchisor lacks the necessary resources, some of these services may never materialize. Therefore, in terms of the risk

involved, there is a considerable difference between a mature franchisor with a successful track record in an established market and a new franchise system based on an unproven business concept.

Franchising is said to be like a marriage. It's intended to be a lasting relationship, therefore it is important you investigate and obtain answers to many questions before committing yourself to a franchise.

The best possible defence against the wrong investment is knowledge. Consequently you require detailed background information on the franchisor, its management, financial history, detailed information on the product or service and whether the franchise being offered is expanding or has limited growth potential.

"Purchasing a Franchise" — Checking Out The Franchise Opportunity

While a franchisee might make a reasonable living, quite often he or she might not achieve the return envisioned. Before any commitments are made, the benefits and risks of being a franchisee should be fully analyzed in order to avoid a costly mistake.

It is imperative that you obtain the services of a good accountant and a franchise lawyer.

- Check the franchisor's credit background with Dun and Bradstreet and your banker. Also ensure that the Better Business Bureau has not received any major complaints against the franchisor.
- Request and analyze, if available, the franchisor's most recent financial statements. This is simple if the franchisor is a public company. Smaller franchisors, however, may not want to disclose such information so it may be necessary to rely on information from banks and other credit agencies.
- Obtain from the franchisor all the public information available on its operations. If, however, they are reluctant to give them to you, it is a bad sign. However, for smaller regional franchises in Canada, these documents may not exist.
- Ask for a copy of the franchisor's trademark application or registration. Without it, the franchisor can give you no assurance of its ability to protect its own trademark, which could lead to later problems.
- Request a list of all franchisees with their locations and telephone numbers. Discuss with a number of them the success and profitability of their outlets. Ask them how much time they spend on the business since this will affect their personal lifestyle. Also have these franchisees assess how well the franchisor has lived up to any promises. Do they feel they are getting something of value for their royalty payments?
- Complete the application or prescreening form if required by the

franchisor. The franchisor should want to check out your financial background as carefully as you checked out their situation. If not, it is a bad sign.

- Obtain a full set of legal documents from the franchisor - the franchise agreement as well as registered user agreements, leases or subleases and assignment agreements.
- If a deposit is required, read the deposit agreement carefully and ensure that it is refundable. If not fully refundable, be sure that you will get at least 80-90% back. At this point, you must be satisfied with the franchisor's credibility and integrity.
- The franchisor should offer an acceptable site (if applicable) for your business. Visit the site and analyze any available descriptive material, paying special attention to surrounding population, average annual income and age distribution. For major investments exceeding $100,000 you may want to call in a professional to confirm the franchisor's report.
- Review the pro forma financial statements with an accountant.
- If your accountant has given you the green light, inform your banker fully about your plans. Obtain all the information about franchising available from the bank, as well as any specific financing packages related to the franchise you are buying. Discuss your eligibility for various loan programs available from the bank. Check to see whether the franchisor has an arrangement with a specific bank on financing.
- Inform your spouse and family completely about what you are doing. In most cases, your spouse will be required to guarantee the loan. In addition, you should assume that the whole family may also be physically and emotionally tied up in the business.
- Engage a lawyer who specializes in franchise-related matters to review all of the documents including trademark registration and the franchise agreement. As well, have an accountant take a final look at the franchise agreement as to any unfavourable tax implications.
- Finally, as the ultimate decision will rest with you, it is now time to apply as much common sense as possible. Try to answer objectively whether you are reasonably suited to the proposed franchise business. Are you willing to make a total commitment in order to succeed? Be honest with yourself - franchising isn't for everyone.

Seek Professional Help:

You will have done a lot of preliminary work yourself, however you will require the services of an accountant and a franchise lawyer. An accountant will review the costs and projections and determine if the bottom line makes sense. The accountant will examine as to whether or not the franchisor is financially stable. You do not want to buy into a financially troubled firm. Be extremely wary of franchisors when an

analysis of their financial statements indicates their major source of revenue is franchise fees rather than franchise royalties. The conclusion would be that they are in business only to sell franchises as opposed to developing a viable franchise system.

The franchise lawyer will review the franchise agreement which is the single most important document that you must deal with. It can be 10 pages, however others run to 40 to 50 pages.

Check with a chartered bank for information and advice about franchising.

The Canadian Franchise Association (most of the leading Canadian franchisors are members) can also offer valuable advice and assistance. It has published a booklet entitled "Investigate Before Investing". Contact:

Canadian Franchise Association
2585 Skymark Avenue
Suite 300
Mississauga, Ontario
L4W 4L5
Tel: (905) 625-2896
1-800-665-4232 or fax (905) 625-9076
www.cfa.ca

Location

Whether you are establishing a new business or purchasing an existing one, location is an important variable to consider. This may appear obvious, but it is very often neglected and is rarely part of the entrepreneur's business plan. Yet market strategy may evolve directly as a result of business location. Also, location cannot be decided by purely economic/business considerations. It is important to consider the residential, social and cultural opportunities of the community. This will have an impact on attracting future employees to your company or on reaching the target audience for your product or service.

There are many factors that will influence the location you choose. Proximity to market areas, sources of raw materials or supplies necessary, transportation systems and facilities and the availability of a skilled labour force are but a few to consider.

Ask yourself: Is it a growing community? What is the age make-up of the community?

The following is a short checklist of factors you should consider when deciding where to locate your business:

Zoning:

- Present zoning and future zoning?
- If it must be re-zoned, what time span is involved and at what cost?

Building:

- Outside and inside appearance?
- Layout, lighting, heating, floors, acoustics, comfort, waste disposal, parking, landscape and snow removal?
- Outside storage - is it permitted?

Transportation:

- Shipping doors? Truck access?
- Any truck-road restrictions?
- Is there a truck terminal nearby?
- Is rail or air important?
- Is it on a bus route for your staff and/or customers?

Utilities:

- Check your power supply, water, sewers and gas.
- What does each cost?
- Are they adequate?
- What would be required to upgrade them to your requirements?

Taxes:

- Present and future assessment for property taxes and business taxes.

Lease:

- Has it been checked by your lawyer?
- Is it too short or too long?
- Any options available?
- Who pays to have the lease drawn?
- What are you responsible for?
- What is the landlord responsible for?

Approvals:

- Will all government regulatory bodies approve your use of the building?
- Zoning, health, fire marshal, transportation, environment and labour.

Protection:

- Are there regular police patrols?
- What kind of fire protection?
- Hydrants nearby?
- Sprinkler system?
- Night guard?
- Any history of vandalism?

Neighbourhood:

- How stable is it? Getting better or getting worse?
- Are you compatible with the neighbours?
- Will you enjoy living nearby?

Restrictions:

- Are there protective covenants that will limit your sales?
- Any legal easements on your property?
- Can you grow physically in size?

Suppliers:

- Are you near them? Is it important?
- Can you get quick service when something breaks down?

Your customers:

- Who are they? Age, sex and income bracket.
- Where do they live, play, shop?
- What motivates them to buy your products?
- How often do they buy? Seasonal?
- Cash or credit?
- Can you afford to carry accounts receivable?

Your competition:

- How big, how old and how strong?
- What percentage of the market do they have?
- What advantages do you have?
- What advantages do they have?
- What percentage of the market will you get?

Financing

As discussed in Chapter 1, financial planning is an important part of the overall planning process.

The success of your business will depend on you having sufficient capital to buy the equipment you need, acquire the inventory you will have to carry, pay overhead costs such as rents and salaries, and have a large enough reserve fund for extra working capital and to enable you to take advantage of "specials" or survive temporary setbacks.

It is essential to assess the cost of establishing and doing business, and determine the capital required before you begin.

Your funding requirements can be split into two main categories:

1. Initial costs - land, building, fixtures, machinery, supplies, vehicles, pre-opening expenses and opening inventory;
2. Daily operating costs - rising inventories, payroll, rents, taxes, advertising and accounts receivable.

It is vital that you know what all these costs will total. You must, therefore, prepare a cash flow forecast, which will give you a reasonably accurate estimate of your cash requirements for the first 12-month period. If you cannot do a cash flow forecast yourself, hire someone to do it for you.

The money you need to operate your business may come from several sources. These will include your own savings, perhaps loans from friends, relatives, investors, chartered banks or the Business Development Bank of Canada (BDC) www.bdc.ca. Other financial assistance may be available through lines of credit from your various suppliers.

Sources of Financing

The most common source of financing for small business in Canada is the chartered banks. Under their operating terms of reference they can provide short term loans, long term mortgage loans or loans against inventory or accounts receivable, to provide working capital.

Chartered banks in Ontario provide a full range of banking services. These include personal and business deposit and loan accounts, buying and selling of foreign exchange, purchase and sale (or safekeeping) of securities and other valuables, letters of credit and the provision of market and credit information in Canada and other countries.

Other leading sources of finance are the insurance companies, trust companies, credit unions, commercial credit and acceptance companies, venture capital loan companies and factoring companies.

Leasing may also be considered. The interest rates are relatively high, but payments are totally deductible. Leasing is usually arranged for

machinery, vehicles and office equipment, where it is best to avoid heavy capital cost outlays.

At the beginning, the most important financial sources will probably be yourself, friends, relatives, your own employees and suppliers, leasing and the banking system:

Notes:

- Internal sources include inventory control, cash management, credit management, etc.
- Friends are not usually the silent partners as originally perceived.
- Employees - are they the right ones to "lock in"?

****Be Sure to Get Enough Money to Start****

Bookkeeping

Failure to keep adequate records from the start is a problem that plagues many small businesses. Without records, there are no controls, and without controls, there can be no effective management. Lack of proper records can also be a source of major embarrassment and costly penalties in dealing with banks, and can lead to difficulties with tax departments and other areas where government agencies are involved.

The MEDT publication, "Record Keeping Made Easy" is a simplified step-by-step guide to establishing an effective small business record system. Copies can be purchased through Publications Ontario or your nearest Ministry of Economic Development and Trade, Business Self-Help Office or Small Business Enterprise Centre.

Credit Control

Maintaining a proper cash flow is probably the single most important factor in operating a successful business.

According to the president of one of Canada's leading collecting agencies, cash flow problems can be avoided by making sure that you are paid promptly for services rendered or goods sold. Statistics show that the longer an account goes unpaid, the greater the risk that it will not be paid in full. Therefore, the control and collection of accounts receivable is most important.

Unless you are paid in advance, you always run a risk of not being paid. This risk can be minimized by taking proper precautions.

Here are a few important items:

- Know your customer;
- Make sure the terms are clearly understood;
- Bill promptly;

- Demonstrate that you expect prompt payment;
- Maintain dated accounts receivable;
- Follow up on the payment if not received as planned.

Government Support

Both the Ontario and federal governments provide a wide range of programs and services that can help the entrepreneur start-up and expand their business ventures.

Information on these programs and services is available through the Canada-Ontario Business Service Centre (COBSC), a joint provincial-federal initiative which provides one-stop shopping for business information. Information agents can answer your questions, send you a fax explaining the programs and services of interest to you, and/or direct you to the right person, the first time.

COBSC helps clients make well-informed business decisions in an increasingly global economy, by minimizing telephone runaround and reducing the incidences of inadequate or incorrect information being provided.

COBSC services include:

- a telephone and referral service;
- a comprehensive database containing information on close to 1,400 programs and services of participating organizations;
- key-word search capabilities to quickly locate information;
- access to an Interactive Voice Response System (IVRS) 24-hours a day, seven days a week;
- direct access to a FaxBack system 24 hours a day;
- condensed versions of the information found in the database which can be received by fax or by mail; and
- contacts in participating organization for in depth enquiries relating to programs and services.
- information available through the Internet

Canada Ontario Business Service Centre (COBSC)

Telephone Services:

Toll Free:	1-800-567-2345
Toronto Area:	(416) 954-4636
Fax	(416) 954-8597

FaxBack Services:

Toll Free:	1-800-240-4192
Toronto Area:	(416) 954-8555

Internet:
e-mail: info@cobsc.org
www: http://www.cbsc.org/ontario

Venture Capital

Venture capital is long-term and risk capital. Companies providing venture capital take an equity position, usually a minority one in the 20 to 40 percent range. In addition, they can usually provide advice and consultation on such matters as financial planning and control, underwriting, accounting and marketing. Because it takes a minority position, the venture capital company normally prefers firms that have management with proven ability and where the lack of long-term financing appears to be the major factor inhibiting the establishment or growth of the client's enterprise.

While the owners remain in control, most venture capital companies require a seat on the board of directors of the company and a measure of control over such matters as key employee salaries and insurance, payment of dividends or the making of the major capital expenditures without prior agreement.

Leasing

Whether your new business venture requires retail space, industrial space, office space or a combination of any or all of the three, the choice of premises is one of your first major business decisions.

You must choose the right location, the right size to meet your requirements at the right price or lease rate. Remember that you will be locked into an agreement for one to five years or longer, so make your decision carefully.

Obtain the best information and advice possible. Unless you are an expert in these matters yourself, this would be the right time to consult a qualified, reputable real estate firm that specializes in commercial/industrial leasing.

Leasing Retail Space

Having selected a potential location, your next consideration is size.

If you require a small space, keep in mind that it is very difficult to find good street-front space under 800 square feet. Therefore, if you are thinking small, you will almost certainly be in an indoor mall.

You will find that the smaller retail spaces command much higher rates per square foot, as they are generally located in high traffic areas. The compensating factor is that, because of this heavier traffic and greater exposure to impulse buyers, you may be able to achieve greater sales dollars per square foot.

Most people think they need more space than they actually do. Good space planning and merchandising techniques can bring your requirements into proper perspective.

Types of Leases

The terminology involved in commercial and industrial leasing can be confusing to the inexperienced. The most common form of retail lease, however, is generally quoted at so much per square foot or metre, per annum - "wholly net against percentage" - with the total being divided into 12 equal payments.

Wholly net means that all operating costs (such as heating, electricity, taxes, etc.) are paid by the tenant, whether they are metered directly or charged on a proportionate share basis.

Against percentage refers to the fact that the rate is being quoted as the greater of either x dollars per square foot or square metre per annum or a stated percentage of gross annual sales, wholly net (usually 6 percent to 8 percent for most retailers).

Rates are the result of many factors, and will vary from town to town, from region to region and even from one section of a city or town to another. Here the services of a good realtor will be extremely helpful. The realtor will be thoroughly familiar with all of the local rates and will be able to help you arrive at a sound decision.

Industrial Space

The leasing of space for light industrial use is no different than that of most other business transactions: first you must know your requirements, and then you must be aware of the terms of the agreement binding the transaction.

Carefully consider your particular type of business. Ask yourself: of the total space, how much should be devoted to warehouse or manufacturing and how much to office use? A good rule of thumb is that the ratio of office to warehouse/manufacturing is roughly 1 to 10.

Once you have pinpointed the total space requirement, clearly define physical space layout. Ceiling height is critical. Perhaps for your business cubic measurement (for stacking of inventory) is much more important than square footage.

Yet another consideration is the method of shipping the product. If truck level shipping is required, the floor of the plant must be level with the floor of the truck. However, if grade level shipping is your choice, the plant floor must be level with the outside driveway.

In the search for suitable space, you will probably come across the industrial condominium, a concept similar to that found in the residential sector. While there are many advantages here, such as equity build-up and the availability of significant tax advantages, there are limitations. Industrial condominium space is normally not less than 500 square metres. Therefore, to consider a condominium, you must be fairly certain that your space requirement will remain constant. If at a later date you find you must expand, you will have to sell, perhaps at a time that will interfere with the smooth operation of your business.

Owning Your Premises

Faced with the increasing cost of leasing space, many small- and medium-sized businesses have considered ownership.

Today ownership has become a possibility for the small business owner. You must ask yourself whether the concept is valid for your particular business.

In order to fully appreciate the financial advantages of ownership, consider the following:

In the past, it was possible to obtain fixed leases for up to 20 years. With such leases, the financial benefits of owning versus leasing were minimal. However, given current economic conditions, there are several built-in benefits to owning over leasing.

• Tax benefits:

These include deductions of interest payments on any financing plus capital cost allowance or depreciation of owning.

• Capital appreciation:

Given the state of the economy today, it is reasonable to expect a substantial increase in the value of commercial real estate in the future.

• Equity build-up:

If the ownership is financed by any form of debt financing, such as mortgage (which is usually the case), repayment of the principal constitutes equity build-up to the point when the real estate is owned 100 percent over time.

• Cash flow:

In an equity position, it is often possible to generate cash flow by leasing space to tenants.

There are other benefits for the owner of office space, including control over long term planning of office accommodation and the opportunity to use office space as an asset for personal corporate retirement funding.

When deciding whether to lease or buy there is one final consideration. Items such as company cars, trucks, fixtures and equipment can either be bought or leased. This is a good way to ease cash flow problems. There are two major advantages: first, significant capital outlay can be avoided and second, the entire cost of leasing can be used as a cost of doing business when reporting income for taxation purposes.

Ratios – and Their Meaning

Over the years, economists and accountants have developed hundreds of business ratios to assist them in evaluating the financial health of businesses. Several have been proven. Here are some that may help you put things in proper perspective.

Total Current Assets
Total Current Liabilities

Current Ratio: This relationship gauges how well the business is able to pay current debts using only its current assets. It is also called the Working Capital Ratio. By rule of thumb it should be 2 to 1 (or 200 percent or $2 to $1). The higher it is, the better the indication, but the actual quality and management of assets must be considered.

Cash + Accounts Receivable
(+ any other quick assets)
Current Liabilities

Quick Ratio: Popularly called the Acid Test Ratio, rule of thumb says this one should be 1 to 1 (or 100 percent or $1 to $1). This ratio indicates the extent to which a company could pay current debt without relying on future sales. Quick assets are highly liquid - those which are immediately convertible to cash. In addition to accounts receivable, they include marketable securities.

Any Operating Expense x 100
Net Sales

Operating Expense Ratios: Business owners gain valuable management information by separately dividing each operating expense, such as salaries or wages, by net sales. From the resulting picture, owners can evaluate internal economic efficiency.

Total Debt (or Liabilities)
Total Equity (or Net Worth)

Debt to Equity: This ratio compares the amount invested in the business by creditors with that invested by the owner(s). The higher the ratio, the more the creditors' claim - possibly indicating that the business is extending its debt beyond its ability to repay. For example, at 1 to 5, debt is only 20 percent of equity; at 1 to 1, debt is 100 percent; at 5 to 1, it is 500 percent. However, an extremely low ratio may indicate that the owner is too conservative and is not letting the business realize its potential.

Net Income (or Profit)
Total Equity (or Net Worth)

Net Income to Equity: A measurement of the owner's, partner's, or shareholder's rate of return on investment, this ratio is almost always given as a percentage. It shows the interest rate that the income yields on the investment, and is an important yardstick of profitability and management efficiency.

Net Sales
Inventory

Sales to Inventory: This is a measurement of the relationship between inventory and sales to help determine inventory turnover. This ratio is important in determining the investment to be made in inventory and maintaining a watch on dated stock. The aim here is to maintain and increase sales while inventory is reduced or at least maintained.

Net Profits
Sales

Net Profit to Sales: This is a profit margin measurement to help determine management's ability to control expenses, pay taxes and result in a reasonable profit margin on sales. A high profit margin is the desirable test here. Operating expenses kept under control through efficient management will result in a constant ratio over several years.

Sales
Net Worth

Sales to Net Worth: This is a measurement of volume of sales in relation to the business's investment. It is important to keep a balance; high sales to worth puts pressure on the investment and loss of sales means underutilizing capital, making return on investment low.

Ratio of Receivables x 365
Sales

Average Collection period: A quick analysis of receivables, this management tool determines the efficiency of this firm's collection capabilities, its relative receivable position and bad debt or receivable write-offs.

These ratios are of value only when compared to industry averages in similar sectors. To obtain comparative data, contact your accountant, who will be able to obtain such information, or refer to firms such as Dun & Bradstreet who produce industry averages and ratios on an annual basis.

USE OF PROFESSIONALS

One of the most important resources available to small business is the local professional advisor - the banker, accountant, bookkeeper, lawyer and management consultant. Small business owners, especially at the early development stages, tend to under-utilize these professionals.

All charge for advice or service given except the banker, who earns income through the financial services provided. Many new entrepreneurs are concerned about the cost of the service rather than the potential benefits. Yet the cost of professional help is a legitimate business expense (tax deductible) and a beneficial investment in successful management techniques and a well run business.

The Banker

The single most important person to a small business is the banker. Bankers provide necessary capital and sound business advice. Banking in Canada is a competitive business; services and levels of expertise vary from bank to bank and branch to branch, so don't be afraid to shop around.

Be prepared to be open and friendly with your banker. The more information you provide and the better you keep your banker informed the easier it will be to deal with the bank and receive the desired service.

Develop good bank relationships by doing the following:

- give the bank manager all the information required for approval of the loan;
- arrange a line of credit to meet peak requirements - but borrow only what is necessary, when it is necessary;
- adjust the loan level as actual requirements change;
- make realistic repayment commitments;
- avoid overdrafts and excesses;
- be prepared to provide security for the loan.

The lender will require the following information:

- amount of loan and the term or period for which it is required;
- reason for desiring loan;
- brief history of company;
- financial statements of business for past three years;
- details of current financial position, including specific data on:
  - accounts receivable
  - accounts payable
  - inventory
  - fixed assets
  - short and long term debt
  - special accounts
- facts about company operations;
- facts about management and officers of company;

- details of project to be financed (if applicable);
- financial data on operating results of new project (if applicable);
- effect of loan - projected cash flow and projected financial statements;
- security offered.

The lender may accept the following as collateral:
- personal guarantees of officers of limited companies;
- general assignment of accounts receivable;
- pledging of cash surrender value of life insurance;
- agreement to restrict salaries, drawings and loan payments of proprietors, partners and principal shareholders;
- granting of a floating charge debenture;
- mortgages and general security agreements.

The Lawyer

Establishing a small business, making changes to an existing one, or buying or selling a business require careful study, and it is often advisable to obtain legal help.

Your lawyer can provide research and advice, and properly close a partnership agreement, an incorporation, a sale or purchase of business, etc.

The lawyer is working for you, so be sure to take time in deciding who to hire. You should feel comfortable when dealing with your lawyer. Your needs must be clearly understood. Therefore, it is most important that the lawyer be a business lawyer and deliver easily what you ask. At no time should you assume everything is under control and all work completed. It is your responsibility to check all documents, read all clauses and understand fully what you are signing or accepting. Do not put yourself in the position of trying to save a few dollars by performing your own legal functions, especially if you are unsure or have never dealt with these issues before. Legal fees are normal business expenses and may result in valuable savings in the long run.

The Accountant

A good accountant can be looked upon as another valuable member of your management team. Many small business owners view their accountant simply as the person who puts their income tax information together once a year. The accountant can provide you with much more.

Shop around for an accounting firm or accountant much the same way you look for a lawyer. Find a firm that is interested in your business and not just your account. Most small businesses are not receiving adequate service, mostly because they don't ask. An accounting firm that provides ongoing financial information (at least on a monthly basis) and helps you interpret the information and advises accordingly is very important to you.

This cannot be stressed strongly enough: you, the owner, must be able to review the financial status of your business at any time so that you can make the necessary business decisions.

Business Research Aids

The exchange of information in the business world is vital. Equally important is ensuring the confidentiality of such information by making it available only to bona fide commercial operators who will use it as a working tool and respect the need to maintain discretion.

Business Reports

A number of companies provide a reporting service. Their client's confidence is protected in much the same way. The information is available only to subscribers to their service, and the subscribers must be accredited business organizations.

One of the better known and most widely used services of this type is the Dun & Bradstreet report.

Newcomers to the business world seeking information on a specific business operation (such as buying an existing business) may request that their bank manager obtain this information for them. Banks will usually comply if they are satisfied that the information is to be used solely for the purpose of evaluation and will be kept confidential.

Credit Bureaus/Equifax

Credit bureaus, operating in Canada since 1922, now have more than 150 branches and a staff of more than 2,000 to provide businesses with consumer credit records of individuals.

Credit bureaus confirm information that credit grantors (banks, mortgage companies, department stores, oil companies, finance companies and automobile dealers) have obtained from individuals requesting consumer credit under Canada's consumer credit laws. Any individual applying for credit must do so in writing. When consumers do this, they supply information such as details of identification, present and past addresses, present and past employment, salaries and references to the grantor. At the same time, they agree to their applications being checked. The credit bureaus collect information from reports of other credit requests by the consumer, turn-downs of credit and payment histories obtained from existing accounts where credit was granted.

Other information on the credit bureau's files - not supplied from the credit grantors - is derived from the public record: judgements, non-responsibility notices, registered chattel mortgages, conditional sales and bankruptcies.

To use the credit bureaus' services, a business must apply to the nearest office and, depending on whether the market is local or national, take out a membership. With the annual membership comes a special code number that allows the business to telephone the credit bureau and obtain verbal reports on individuals. A nominal fee is charged for each report. Written reports can also be obtained.

The Computer From Day One *

At first thought, a computer may seem like an unaffordable and needless expense for your start up business. But there are, in fact, several reasons to have a computer from the start.

Even before your business has opened its doors, you can use a computer to prepare your business plan and presentation to your investors and lenders.

You can use a computer and spreadsheet software to explore a range of what ifs that will show the effect of various changes in income and costs. What if interest rates on business loans change? What if cash flow is delayed by slow payments? What if operating costs go up or down by various percentages? What if you rent or lease for different durations at different rates? What if your projected sales reach different levels and how will this relate to all the other what ifs?

This detailed approach to your new business, presented in a quality, printed form, will impress potential lenders and investors with your professionalism and thoroughness.

At this early stage of putting together your business you may not have the cash to own your own computer. You might then consider renting or leasing the system you need.

*Reproduced with permission of IBM Canada Ltd. IBM is a registered trade-mark of International Business Machines Corporation. IBM Canada Ltd. a related company, is a registered user.

Accurate and timely management

Earlier this booklet said, "Failure to keep adequate records from the start is a problem that plagues many small businesses". Your own computer, by taking the repetitive work out of your record keeping, can not only speed up the work, it can provide an incentive to get it done on time because it makes data entry so much easier.

Timely record keeping will help you stay on top of changes that can affect your profitability. It can improve your control of costs, and control is the basis of effective management.

A computer can flag over- or under-stocking of inventory, reveal what is moving and what isn't, show you trends as they develop and help you stay ahead of slow-paying accounts.

Your banker and the various tax departments of government may be easier to deal with if your records are complete and comprehensible.

What is more, by doing accurate record keeping yourself, you could pay your accountant for time spent providing advice to you versus time spent on record keeping.

Time saving and productivity

Many businesses require the preparation of lengthy documents with large quantities of text and figures. Getting them right can take forever without a computer, especially when changes require you to start all over again.

A desktop computer with a good word processing program will allow you to set up the basic document, then revise the numbers, or specific words and sentences or even move paragraphs around without starting from the beginning each time things change. For frequently used documents such as price lists or contracts you can update or customize with a minimum investment of time.

Especially at the beginning of your business when you and your colleagues are doing all the chief cook and bottle washer jobs, time you don't use for preparing documents is time you can use for building the business.

There are many ways a small computer can improve your productivity.

In one music store, the owner built a database listing all customers and their choice of music and media (e.g. record, tape, compact disk). As new shipments arrive, employees use quiet time to compare the new music with the database and call customers about appropriate new arrivals. Sales increase and customers are impressed by the service - an important factor when you remember that competitive music stores carry the same music.

There are many examples of how a computer can be used to help you promote business, instead of waiting for it. And there are many professionals including authorized computer dealers and software developers who can provide advice on how to use a computer to its advantage in your business.

Why now? Why not later?

You may say, "My business will be too small for a computer when I start up. I'll get one later". People may once have said that about a typewriter.

The fact is that it can be more efficient to begin with a computer. You need not develop manual systems that have to be converted - inevitably - to a computer. And you can have a powerful marketing resource at your command.

A computer can be an inexpensive and valuable tool.

CHAPTER 3:
REGULATIONS, REGISTRATIONS, INCORPORATIONS AND LICENCES

All businesses, large and small, are subject to certain laws and regulations. These are designed for the good of the public and the protection of the consumer. Some are laid down by the municipality, some by the provincial government, some by the federal government, and others by regulatory bodies set up to ensure that products offered for sale conform to required safety and other standards.

SMALL BUSINESS AND THE LAW

Other regulations are designed for the benefit and protection of the rights of employees - and then, of course, there are the various tax regulations. Most of these regulations are dealt with briefly in this publication. For more detailed information the reader should consult the office responsible for the administration of the specific regulation.

REGISTRATION OF A NAME

Sole Proprietorship Registration

A sole proprietorship is not required to be registered if the business is carried on under the owner's name. If the business uses a name other than the owner's or adds "and Company" or other words, the Business Names Act requires that you register the business name before you start using it with the Ministry of Consumer and Commercial Relations, Companies Branch, 393 University Avenue, 2nd Floor, Toronto, Ontario, M5G 2M2 Tel: (416) 314-8880.

Ontario Business Connects are computer workstations located across the province to apply for Business Name Registration, Name Search, Retail Sales Tax Vendor's Permit, Employer Health Tax (including self-employed), and Workplace Safety & Insurance Board. To check for a location nearest you call;

Ontario Business Connects	
Information/Helpline	1-800-565-1921
	(416) 314-9151
Internet:	www.ccr.gov.on.ca/obcon/btrgfrselo.htm

The registration fee for a business name for sole proprietorship or general partnership is $60.00 through Ontario Business Connects and $80.00 through the mail. Registration is valid for five years.

Registration of the name does not in itself ensure exclusive use of that name in Ontario for the individual registering it. The ministry has no obligation to avoid name duplication or to advise anyone registering a name that it has been previously registered.

You are responsible for ensuring that the name is not already in use. For a fee of $8.00 (via: OBC workstations) and $12.00 (by mail), Ontario Business Connects will check the Ministry of Consumer & Commercial Relations files, and provide the addresses for any duplicates that may exist.

Registration of a Business Name may also be conducted on the internet for a fee of $60.00 at http://www.ccr.gov.on.ca/obcon/btrgframe.htm

Articles of Incorporation

Persons wishing to incorporate a business must file with:

Corporate Services Section
Companies Branch
Ministry of Consumer and Commercial Relations
393 University Avenue, 2nd Floor
Toronto, Ontario, M5G 2M2
Tel: (416) 314-0096

Articles of Incorporation may also be delivered to the Land Registry offices in the following municipalities:

Barrie	Oshawa	Sudbury
Hamilton	Ottawa	Thunder Bay
Kingston	Peterborough	Welland
Kitchener	Sarnia	Windsor
London	Sault Ste. Marie	

Addresses can be found in the blue pages of your telephone directory.

Articles must be accompanied by a NUANS name search report. It is the responsibility of the group seeking incorporation to conduct its own name search. The Ontario Ministry of Consumer and Commercial Relations does not undertake these searches.

A number of private companies provide this service. Most are capable of doing a Canada-wide computer name search within a 24 hour period. These companies are listed in the Yellow Pages under "Searchers of Records".

Corporations are required to file an Initial Notice or Notice of Change Form 1, Corporations Information Act, with the Ministry of Consumer and Commercial Relations, Corporate Services Section, within 60 days of incorporation.

Co-operatives

Persons wishing to register a co-operative venture should contact:
Financial Services Commission of Ontario
Credit Unions and Cooperatives
Services Branch
5160 Yonge Street
4th Floor
Toronto, ON
M2N 6L9
Credit Unions (416) 226-7776
Cooperatives (416) 226-7859
Internet: www.fsco.gov.on.ca

Proposed names for co-operatives must be approved by the ministry. An approved name will be cleared for a period of 90 days for a fee of $15.

When the co-operative is a non-profit no-gains co-operative, special clauses are contained in the articles. The registration fee for this type of co-operative is $155.

For a co-operative covered by other articles, the registration fee is $335. Applicants should seek legal assistance in the preparation of the required articles.

Non-profit, non-share co-operatives are incorporated under the Co-operative Corporations Act. The applicant(s) seeking incorporation must conduct his/her own name search. The Ontario Ministry of Consumer and Commercial Relations does not undertake these searches. Check the yellow pages under Searchers of Records.

Partnerships and Limited Partnership Registration

A partnership name must be registered under the Business Names Act by filing a declaration with the Companies Branch at the address previously given.

In a limited partnership, partners are liable only to the extent of the capital they have contributed. A limited partner becomes a general partner if he or she takes part in the management of the partnership. For details, refer to the Limited Partnership Act, available at:

Publications Ontario
880 Bay Street
Toronto, Ontario
M7A 1N8

Where to Incorporate

When a corporation intends to operate or have branch operations in more than one province, a federal incorporation may be advantageous.

However, if a corporation intends to operate primarily in one province, it may be preferable to incorporate in that province. Extra-provincial corporations must be licensed or registered in any other provinces in which they wish to do business.

Corporations that incorporated federally and are doing business in Ontario are required to file an Initial Notice or Notice of Change Form within 60 days upon entering the province.

What Form of Business Organization?

Sole Proprietiorship

Advantages

1. Low start-up costs.
2. Greatest freedom from regulation.
3. Owner in direct control.
4. Minimal working capital requirements.
5. Tax advantage to small owner.
6. All profits to owner.

Disadvantages

1. Unlimited liability.
2. Lack of continuity.
3. Difficult to raise capital.

Partnership

Advantages

1. Ease of formation.
2. Low start-up costs.
3. Additional sources of venture capital.
4. Broader management base.
5. Possible tax advantage.
6. Limited outside regulation.

Disadvantages

1. Unlimited liability.
2. Lack of continuity.
3. Divided authority.
4. Difficulty in raising additional capital.
5. Hard to find suitable partners.

Corporation

Advantages

1. Limited liability.
2. Specialized management.
3. Ownership is transferable.
4. Continuous existence.
5. Legal entity.
6. Possible tax advantages.
7. Easier to raise capital.

Disadvantages

1. Closely regulated.
2. Most expensive form to organize.
3. Charter restrictions.
4. Extensive record keeping necessary.
5. Tax rules can be more complex.

Federal Incorporation

Federal incorporation is effected under the Canada Business Corporations Act by filing articles of incorporation with:

Information and Publications Unit
Industry Canada
Corporations Directorate
365 Laurier Ave. West
Journal Tower South, 9th Floor
Ottawa, Ontario
K1A 0C8
(613) 941-9042
http://strategis.ic.gc.ca

Licences

Municipal Licences

Many but not all types of businesses require a municipal licence. The fees can vary from a few dollars to a thousand or more, but in most cases the fees are nominal.

In addition, business and industry must conform to zoning and bylaw regulations. Most municipalities have a planning board to designate areas within the municipality for residential, commercial, light industry, heavy industry, noxious industry, green belt or parkland. Construction,

reconstruction, alterations or additions to a building require approval of the designs by the building department.

For details of fees and application requirements contact the building department or bylaw officer in the municipality in which the business is located.

Most municipalities require a building permit before alterations or new construction take place. It is extremely important, therefore, that the business check zoning regulations before signing a lease, and obtain the necessary building permit before making alterations or starting new construction.

For regular business licences, check with your municipal licensing board, commission or bylaw officer.

Purchasing Premises

Things to look into before leasing or purchasing premises for which a licence is required:

1. Contact the local municipality to see if the area where the premises are situated permits the intended use.
2. If the zoning permits the intended use, what cost would be involved to meet the Ontario Building Code standards for the type of licence required for:

- washroom facilities;
- fire and exit doors;
- parking facilities;
- sprinkler and alarm systems, etc.

Leasing Premises

If you intend to lease premises requiring a licence, be sure to include a clause or condition that will void the lease if a licence is not granted.

Also, include a clause to the effect that the landlord shall rectify any building defects that are addressed by the Ontario Building Code, Ontario Fire Code or municipal property standard by-laws within 60 days, thus enabling the lessee to obtain the licence applied for.

Resource-Based Tourist Establishment Licences

In Ontario, only resource-based accommodation establishments making use of "Crown resources" are required to have a licence under the revised Regulation 1037 of the Tourism Act. The Regulation defines "Crown Resource" to mean any right, interest, or allocation of Crown property, or any right to use or allocate property of the Crown including right, interest, or allocation in respect of fish or wildlife.

Who is eligible for a Resource-Based Tourism licence?

A resource-based tourist accommodation establishment is defined as an accommodation business that makes use of Crown resources such as land, fish, wildlife and promotes access to these resources as the main attraction for encouraging tourists to visit the establishment.

How to obtain a Resource-Based Tourism Licence?

If your business is located on Crown Land, or depends on the significant use of Crown lands and/or natural resources, please contact the Ministry of Tourism located in Thunder Bay, Ontario at the following address:

Ministry of Tourism
Suite 201
615 James Street
Thunder Bay, ON
P7E 6P6
1-800-561-3399

You may also contact the local Tourism Consultant in the field offices of the Ministry of Economic Development and Trade, or the local Tourism Advisor in the field offices of the Ministry of Northern Development and Mines in your area to discuss any licensing requirements.

Liquor Licences

Developers who propose to operate establishments where alcoholic beverages will be served must first obtain approval from the Alcohol and Gaming Commission of Ontario.

A formal application must be made and plans submitted to:
Alcohol and Gaming Commission of Ontario
20 Dundas Street West
Toronto, ON
M5G 2N6
General Inquiry (416) 326-8700
1-800-522-2876
www.agco.on.ca

Import-Export

In addition to knowledge of basic business practices, a good knowledge of documentation procedures and the various forms of import-export financing is required.

Persons importing goods into Canada on a regular basis should obtain an importer's number.

Certain products are on a restricted list of imports. There are also items that are exportable only on a quota basis.

The Canada Customs and Revenue Agency provides a special information service. Anyone contemplating entering the import-export business should first contact the appropriate regional office:

Northern Region
201 North May Street
1st Floor
Thunder Bay, ON
P7C 3P4
Tel: (807) 626-1604

Hamilton Region
400 Grays Road North
Suite 102
Hamilton, ON
L8E 3J6
Tel: (905) 308-8715

London Region
Business Window
451 Talbot St., 1st Floor
London, ON
N6A 4R3
1-800-959-5525 (Eng.)
1-800-959-8281 (Fre.)

Ottawa Region
2265 St. Laurent Blvd.
Ottawa, ON
K1G 4K3
Tel: (613) 991-0501

Southwestern Ontario Region
Federal Building
185 Ouellette Avenue
4th floor
Windsor, ON
N9A 4H8
Tel: (519) 257-6447

Toronto Region
1 Front Street West
Toronto, ON
M5W 1A3
Tel: (416) 954-4999
1-800-387-0718

Team Canada Inc.
1-888-811-1119

COBSC
Tel: (416) 954-4636
1-800-567-2345

Delivery and Transport Licences

Interurban transportation of commodities for compensation requires the carrier to hold an Operating Licence covering the types of commodities being carried. Carriers operating entirely within an urban municipality, such as Metropolitan Toronto, are exempt from holding such authority. However, the municipality may require a cartage licence.

Requirements to hold an authority only apply to public trucks and not to passenger automobiles. Some exemptions do apply, such as certain field crops and livestock transported in a truck with not more than three axles, and not towing a trailer.

For commercial vehicles carrying goods for compensation across provincial or international boundaries the carrier will be required to be licensed in Ontario under the Motor Vehicle Transport Act (Canada). They may also be required to be licensed in the other jurisdiction.

Potential carriers should contact either the Carrier Sanctions and Investigation Office or a Ministry Enforcement Office with any questions or concerns regarding the proper class of authority that may be required. Addresses can be found in the blue pages of of your telephone directory.

For further information contact:

Carrier Sanctions and Investigation Office
Ministry of Transportation
301 St. Paul Street, 3rd Floor
St. Catharines, Ontario
L2R 7R4
Tel: (905) 704-2500
1-800-387-7736
Internet: www.mto.gov.on.ca\english\truck\carrier\index.html

Bonded Manufacturers and Bonded Warehouses

Manufacturers in bond may, under the authority of the Excise Act, receive into their premises alcohol and other excisable goods at preferred rates of duty when they are for use in the manufacture of products such as proprietary medicines, pharmaceutical preparations, essences and extract, perfumes, vinegar, approved chemical compositions, toilet preparations or cosmetics subject to excise tax. These products are manufactured under government supervision.

An excise bonding warehouse is any approved premises where goods subject to excise may be stored in bond without payment of duty. Goods may be transferred in bond from one bonding warehouse to another or exported in bond without payment of duty. In case of transferral or export, the shipper is liable to any accrued duty until the obligation of the bond is cancelled by the delivery of the goods.

Except in the case of spirits and alcohol, the sale of which is further controlled by provincial liquor boards or commissions, excisable goods are shipped without restriction when duty has been paid. Potable spirit, even when duty has been paid, is shipped only to provincial liquor boards or commissions.

Applications for a licence to manufacture in bond under the Excise Act must be made to the regional manager of excise duty in whose region business is to be carried on. In addition, a guarantee bond must be furnished to Canada Customs and Revenue Agency in such sums as may be designated.

Surety Bonds

A bond is issued by an insurance company and generally guarantees the performance of a contract or compliance with a by-law or statute. It is a three party instrument involving a Principal, an Obligee and a Surety. The Principal is the person performing the contract or applying for the license. The Obligee is the person for whom the work under the contract is performed or the Registrar of the Act. The Surety is the insurance company offering the guarantee.

Surety bonds include contract bonds, license and permit bonds, court and probate bonds, all of which involve a guarantee of performance. Surety bonds give the Obligee the assurance that the Principal is qualified to do the job.

A Fidelity Bond is issued by an insurance company and is designed to pay the Insured for loss resulting from dishonest or fraudulent acts of its employees. For further information contact your insurance agent or broker or:

Insurance Bureau of Canada
151 Yonge Street
Suite 1800
Toronto ON
M5C 2W7
(416) 362-2031
1-800-387-2880
www.ibc.ca

Ottawa Office
155 Queen Street
Suite 1208
Ottawa, ON
K1P 6L1
(613) 236-5043

CHAPTER 4:

SPECIAL REGULATORY LICENCES

Many businesses including retail and service outlets, restaurants and lounges, manufacturing and processing operations, may be subject to licences. These licences are designed to protect the interests and safety of the public regarding the use, application or sale of certain items or services. These include food, drugs, alcoholic beverages, wood products, optical lenses, motor vehicle operations, railroad and water transportation, pressure vessels and pressure regulators, and upholstered and stuffed articles.

This list is not all-inclusive, but indicates areas in which special licensing requirements are mandatory.

If your business involves selling products or services to the public, you will need to be aware of the 19 regulatory acts administered by the Business Practices Division of the Ministry of Consumer and Commercial Relations.

Designed primarily to promote fair business practices and a high level of ethical conduct in the marketplace, these 19 acts are designed to protect the rights and needs of the individual consumer. Of particular concern to most businesses is The Business Practices Act.

The Business Practices Act

Referred to as "umbrella legislation", the act has far-reaching implications and powers and applies to many business situations covered by other legislation both within the business practices division and in other ministries and jurisdictions.

Basically, it prohibits and creates sanctions against a wide range of unfair practices and techniques in consumer sales and services. It provides consumers with a right of private redress where it is established that an unfair practice has occurred. There are 22 specific unfair practices prohibited, which fall into two categories - false, misleading or deceptive consumer representations and unconscionable consumer representations.

Each of the following acts is designed to regulate a particular industry. Details regarding registration, bonding and whether or not a written examination is required are outlined below.

Note that each of these acts varies in terms of registration, the control of commercial standards, the inspection of registrants as may be necessary, and the handling of complaints. These acts also empower the ministry to take investigative or enforcement action when required.

The Bailiffs Act

Regulates the appointment and conduct of private bailiffs and the handling of complaints and enquiries regarding the practices of private bailiffs.

Note: Any business using the services of a private bailiff must ensure that the bailiff is duly appointed in the appropriate county or district.

The Consumer Protection Act

Provides for the registration and bonding of itinerant sellers, regulates the use of executory contracts, requires full disclosure of the cost of borrowing, regulates advertising and provides measures for regulating the assignment of contracts and the use of disclaimer clauses.

The Consumer Protection Bureau Act

Outlines the duties of the Consumer Services Bureau, disseminates information for the education of consumers, receives and investigates consumer complaints and enforces legislation enacted in the public interest.

The Consumer Reporting Act

Provides for the registration of consumer reporting agencies and those persons employed in investigating personal information for consumer reporting purposes.

The act requires responsible conduct from businesses and includes a number of specific requirements for gathering and giving out of credit and personal information.

The Collection Agencies Act

Provides for the registration and bonding of collection agencies and branches, the registration of collectors and the administration of written examinations by collection agency owner/operators.

Note: Any business requiring the services of a collection agency is required to deal with a registered agency.

The Motor Vehicle Dealers Act

Provides for the registration of all motor vehicle dealers and for the registration of all sales people. Dealers are required to participate in a compensation fund. For detailed information on this Act please call Ontario Motor Vehicle Industry Council at (416) 226-4500 or 1-800-943-6002.

The Motor Vehicle Repair Act

Under this legislation, repair shops must provide written estimates on request, a warranty on new and reconditioned parts and associated labor for a minimum of 90 days or 5,000 km and full disclosure of repair rates to the consumer.

The Paperback And Periodical Distributors Act

Regulates wholesale distributors by requiring them to obtain a licence and be registered before doing business in Ontario. The act also controls the extent of non-resident ownership or control of paperback and periodical distribution systems.

The Prepaid Services Act

This legislation affects fitness, health and martial arts clubs where members pay in advance for services. The legislation limits the length of contracts to one year, provides for a five-day cooling-off period and makes installment payment plans mandatory.

The Real Estate And Business Brokers Act

Provides for the registration of both real estate brokers and sales people and the bonding of brokers, and for written examination prior to registration. The act also regulates trading within Ontario of subdivision lots and condominiums located outside Ontario. For more detailed information on this Act call the Real Estate Council of Ontario at (416) 207-4800 or 1-800-245-6910.

The Travel Industry Act

Regulates persons who are in the business of selling and dealing in travel services. The act provides for registration and bonding of all travel agents and wholesalers. It also requires all registrants to participate in a compensation fund. The fund will be used to protect the consumer in case of bankruptcy or unfulfilled services. For more detailed information on this Act call the Travel Industry Council of Ontario at 1-888-451-8426.

The Cemeteries Act

The Cemeteries Regulation Section regulates operation of all cemeteries, crematoria, mausolea, columbaria and burial grounds. The section also answers inquiries and investigates consumer complaints about cemeteries and burials, and advises cemetery owners. No special legislation exists for monument dealers.

The Funeral Directors and Establishment Act

Protects monies that have been paid to a funeral establishment for a funeral that will take place sometime in the future.

The Condominium Act

Covers condominium ownership and is particularly responsive to consumer needs. It is a self-administering Act and problems that cannot be resolved through persuasion must be resolved by the courts.

The Discriminatory Business Practices Act

Covers discrimination in the business community on the basis of race, creed, colour, nationality, ancestry, place of origin, sex or geographical location.

The Debt Collectors Act

The act prohibits the use of any document giving the appearance it was issued by the courts, if in fact, it was not.

The Theatres Act

The Theatres Section, which administers the amended Theatres Act is responsible for the safety of film theatre-goers in Ontario; the approval for public exhibition and distribution of all 35mm, 16mm and 8mm film and videotape; and the approval of all printed advertising related to the public exhibition of film. For more detailed information on this Act, please call the Theatres section at (416) 314-3626 or 1-800-268-6024

The Athletics Control Act

Responsible for the proper conduct of all professional combative sports in Ontario and issues licences to professional boxers, kickboxers and wrestlers and all officials involved in these sports. For detailed information on this Act please call the Athletic Commissioner's Office at (416) 314-3630 or 1-800-268-6024.

For more detailed information about these acts and others that may relate to business operations, we suggest that you call:

Ministry of Consumer and Commercial Relations
General Inquiry Unit
Tel: (416) 326-8555
1-800-268-1142 (except area code 807)
Area Code 807, call collect at (416) 326-8555
TDD/TTY (416) 326-8566

Copies of the acts may also be obtained from Publications Ontario, 880 Bay Street, Toronto, Ontario, M7A 1N8.

Food and Drug Act and Regulations, and Radiation Emitting Device Act and Regulations

Enquiries about food, drug, cosmetic, medical devices, and radiation emitting device regulations covered by the Food and Drug Act and Regulations and Radiation Emitting Device Act and Regulations should be directed to the appropriate office listed below.

Health Protection Branch
Health Canada
Drugs, Cosmetics, Medical Devices and Tobacco
2301 Midland Avenue
Scarborough, Ontario
M1P 4R7
Tel: (416) 973-1600
www.hc-sc.gc.ca

Canadian Food Inspection Agency
Agriculture Canada
Food

Toronto East District
2301 Midland Avenue
Scarborough, Ontario
M1P 4R7
Tel: (416) 973-1436

Toronto West District
23 Westmore Drive
Suite 406
Etobicoke, Ontario
M9V 3Y7
Tel: (416) 740-3007

Hamilton District
709 Main Street West
Hamilton, Ontario
L8S 1A2
Tel: (905) 572-2201

London District
451 Talbot Street
Room 201
London, Ontario
N6A 5C9
Tel: (519) 645-4021

Ottawa District
38 Auriga Drive
Unit 8
Nepean, Ontario
K2E 8A5
Tel: (613) 274-7374

Packaging and Labelling

Industry Canada
Fair Business Protection Branch
5160 Yonge St., Suite 800
North York, ON
M2N 6L9
Tel: (416) 954-1405
http://competition.ic.gc.ca

Product Safety

Health Canada
Product Safety Bureau
200 Town Centre Court, Suite 815
Scarborough, ON
M1P 4X8
Tel: (416) 973-4705
or

Health Canada
Product Safety Bureau
150 Main St. West, Room 530
Hamilton, ON
L8P 1H8
Tel: (905) 572-2845

Technical Standards

Ontario Ministry of Consumer and Commercial Relations
Technical Standards Division
3300 Bloor Street West, 4th Floor, West Tower
Etobicoke, ON
M8X 2X4
Tel: (416) 325-2000
www.tssa.org

Building Code

Ministry of Municipal Affairs and Housing
Housing Development and Buildings Branch
777 Bay Street, 2nd Floor
Toronto, ON
M5G 2E5
Tel: (416) 585-6666
http://obc.mmah.gov.on.ca

Pollution Control

The Ministry of the Environment is responsible for the establishment and control of environmental safeguards. Major objectives are the management of water and waste and the development and maintenance of Ontario's natural environment.

For information regarding the control of contaminant emissions, environmental safeguards and the management of air, water and waste, enquire at the regional office or:

Ontario Ministry of the Environment
Public Information Centre
135 St. Clair Avenue West
Toronto, Ontario
M4V 1P5
Tel: (416) 325-4000
www.ene.gov.on.ca

Weights and Measures

Under the Weights and Measures Act, most weighing and measuring devices used for trade in Canada must meet certain standards of accuracy.

While federal weights and measures inspectors regularly inspect all weighing and measuring devices in Canada to verify their accuracy, the Weights and Measures Act makes traders legally responsible for the accuracy of their devices.

For further information about the Weights and Measures Act contact your nearest Measurement Canada Office of Industry Canada.

CHAPTER 5:
TAXATION

PROVINCIAL TAXES

Retail Sales Tax

This is a consumption tax based on the retail price of most goods; also taxed are certain services and prices of admission. Most goods and equipment used in a business, other than certain categories of production machinery and materials used in manufacturing, are taxable. Certain purchases such as food products, farm implements and children's clothing are exempt from tax.

The tax rate is 8 percent on most purchases of goods and on labour charges to install, repair and maintain taxable goods and equipment. Tax is also payable at 8 percent on all prepared food products purchased from an eating establishment, where the total charge is more than $4. Liquor, beer and wine sold in restaurants, taverns, etc. are taxable at 10 percent. Tax at 12 percent applies if these items are purchased from retail outlets. Admission to a place of amusement, where the charge is more than $4, is taxable at the rate of 10 percent.

Most lodging, as provided by hotels, motels and lodges, is taxable at 5 percent.

Businesses that sell taxable goods, provide a taxable service or charge admission to a place of amusement must obtain a vendor permit and are responsible for collecting tax and remitting it on a regular basis. There is no fee for this permit.

Further retail sales tax information on vendor permits and exempt purchases may be obtained from the following offices:

Retail Sales Tax Offices

Durham
1600 Champlain Avenue
2nd Floor
Whitby, ON
L1N 9B2
Tel: (905) 432-3332
1-800-668-5810

Hamilton
119 King Street West
Hamilton, ON
L8P 4Y7
Tel: (905) 521-7504
1-800-263-9229

Kitchener
305 King Street West
Kitchener, ON
N2G 1B9
Tel: (519) 576-8400
1-800-265-2303

London
130 Dufferin Avenue
Suite 400
London, ON
N6A 6G8
Tel: (519) 433-3901
1-800-265-1540

Ottawa
1400 Blair Place
Suite 300
Ottawa, ON
K1J 9B8
Tel: (613) 746-9200
1-800-461-4909

Toronto
5 Park Home Avenue
Suite 200
North York, ON
M2N 6W8
Tel: (416) 222-3226
1-800-268-8852

North Bay
447 McKeown Avenue
P.O. Box 6010
North Bay, ON
P1B 9S9
Tel: (705) 474-4900
1-800-461-1564

Peel
1290 Central Parkway
West, Suite 100
Mississauga, ON
L5C 4R3
Tel: (905) 273-9490
1-800-265-9969

Windsor
215 Eugenie St. West
Suite 103
Windsor, ON
N8X 2X7
Tel: (519) 250-0066
1-800-465-4021

Corporations Tax

Corporations tax is levied and collected by the province under the authority of the Ontario Corporations Tax Act. It comprises two elements: income tax, which is levied on taxable income, and capital tax, which is levied on taxable paid-up capital. For both taxes, there are preferential rates for small businesses. The rates are as follows:

Income Tax

The general rate is 15.5 percent but the effective rate is 9.5 percent on active business income that qualifies for the federal small business deduction.

Capital Tax

The general capital tax rate as of May 05, 1999 is .3 percent and will be phased in for corporations or groups of associated corporations with taxable paid-up capital in excess of $2 million and less than $2.4 million.

The flat rates of capital tax (i.e. $100, $200 & $500) were eliminated effective May 05, 1999.

Family farm corporations, family fishing corporations, credit unions that are prescribed not to be financial institutions and certain mutual insurance corporations will be exempt from capital tax effective for taxation years ending after May 4, 1999.

The flat rate for mortgage investment corporations is $100.

Each corporation that is liable to pay the tax should file an Ontario Corporations Tax and Annual Return (CT 23) within six months after its taxation year-end. When total tax exceeds $2,000, payments are made monthly; in other cases payments are made annually.

For further information, contact:
Ministry of Finance
Corporations Tax Branch
P.O Box 622
33 King Street West
Oshawa, Ontario
L1H 8H5
English: 1-800-263-7965
French: 1-800-668-5821
TTY Deaf 1-800-263-7776

Gasoline Tax

Ontario levies a direct tax on every retail sale of gasoline. This tax is collected by service stations or other retailers from their customers and is remitted through their suppliers. No registration by the retailer is required for gasoline.

Fuel Tax

Ontario levies a direct tax on every retail sale of clear middle distillate fuel. This tax is collected by retailers from their customers and is remitted through their suppliers.

Untaxed middle distillate fuel is coloured (red) for non-taxable uses. (e.g. heating, cooking or generating power in unlicensed equipment used for commercial, industrial or institutional purposes.) The use of coloured fuel in a licensed motor vehicle or in unlicensed recreation equipment is prohibited.

Operators of diesel-powered commercial motor vehicles travelling into or out of Ontario are required to obtain and place on their motor vehicles a Fuel Tax Registration decal issued by the Motor Fuels and Tobacco Tax Branch.

Tobacco Tax

Persons retailing cigarettes and other tobacco products must hold a valid vendor's permit issued under The Retail Sales Tax Act. The tobacco tax, which they are required to collect on their sales of tobacco products, is remitted through their wholesale supplier, who may be appointed as a collector. Retailers must ensure that their wholesale supplier holds a wholesale dealer's permit as there are penalties for purchasing tobacco products from non-collectors. In addition, retailers will collect and remit 8 percent retail sales tax on all tobacco products sold.

Persons selling cigarettes and other tobacco products for resale are deemed wholesalers and may hold a wholesale dealer's permit. They must also be designated as collectors. There is no fee for the wholesale dealer's permit or the collector designation.

Effective November 1, 1990 when Ontario's Cigarette Marking

Program was fully implemented, the stocking or selling of cigarettes that do not bear an Ontario tax mark is prohibited. Unauthorized possession of unmarked cigarettes will result in heavy fines in addition to the forfeiture of the product.

Permits — Fuel and Tobacco

Details on registration, wholesale dealers' permits and designation as a collector for tobacco tax, may be obtained from:

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
P.O. Box 625
33 King Street West
Oshawa, Ontario
L1H 8H9
Tel: (905) 433-6389 - Fuel Tax
(905) 433-6394 - Tobacco Tax

Land Transfer Tax

Every individual or corporation obtaining an interest in land in Ontario is liable to Land Transfer Tax. The tax is based on the consideration of all lands, buildings, estates, rights, or interests in them, including options and long-term leases.

An exemption from Land Transfer Tax may be available where the transfer of land is from an individual to his or her family farm corporation or family business corporation. Retail sales tax may still be payable when chattels associated with the land are transferred. Contact your local retail sales tax office for further information, or contact:

Ministry of Finance
Motor Fuels and Tobacco Tax Branch
33 King Street West
Oshawa, Ontario
L1H 8H9
Tel: (905) 433-6393

Goods and Services Tax

The Goods and Services Tax (GST) replaced the Federal Sales Tax (FST) on January 1, 1991. The majority of goods and services sold or provided in Canada are subject to the GST currently at 7 percent.

There are some goods and services such as basic groceries or exports which are zero-rated. In addition, a limited number of goods and services, such as certain health care or financial services, are exempt from the GST.

Registration Under GST

Every business or organization engaged in a commercial activity with annual sales and revenues of GST taxable goods and services of more than $30,000 is required to be registered.

Input Tax Credits

Businesses that are registered for the GST are able to claim a credit (referred to as an input tax credit) for the GST paid or payable on business purchases. The credit is applied against the GST charged on sales to determine whether tax should be remitted or a refund claimed.

Excise Taxes

Most of the existing excise taxes imposed under the Excise Tax Act remain in effect since the implementation of the GST. If both excise tax and the GST are applicable, the excise tax is applied before the GST.

Additional information about federal commodity taxes may be obtained from your local District Offices. Please refer to the blue pages of your telephone directory for the telephone numbers that are not available at the time of this printing. The following publications available from Canada Customs and Revenue Agency have been specifically written for small businesses. Please write to your District Office for a copy.

- "GST Guide for Small Business"
- "Simplified Accounting Methods for Small Businesses"

GST Information Offices

Belleville
11 Station Street
Belleville, ON
K8N 2S3
1-800-959-5525

Hamilton
Hamilton District Office
150 Main Street West
P.O. Box 2220
Hamilton, ON
L8N 3E1
1-800-959-5525

Kingston
Kingston District Office
385 Princess Street
Kingston, ON
K7L 1C1
1-800-959-5525

Kitchener
Kitchener District Office
166 Frederick Street
Kitchener, ON
N2G 4N1
1-800-959-5525

London
London District Office
451 Talbot St., 1st Floor
London, ON
N6A 5E5
1-800-959-5525

Ottawa
Ottawa District Office
333 Laurier Avenue
West
Ottawa, ON
K1A 0L9
1-800-959-5525

Toronto Region
Toronto East District
Office
200 Town Centre Crt.
Scarborough, ON
M1P 4Y3
1-800-959-5525

Toronto West District Office
Business Window
77 City Centre Dr.
2nd Floor West
Mississauga, ON
L5A 4E9
1-800-959-5525

Toronto Core District Office
1 Front Street West
Toronto, ON
M5W 1A3
1-800-959-5525

Toronto North District Office
5001 Yonge Street
Suite 1000
North York, ON
M2N 6R9
1-800-959-5525

St. Catharines/Niagara
St. Catharines/Niagara
District Office
32 Church Street
St. Catharines, ON
L2R 3B9
1-800-959-5525

Sudbury
Sudbury District Office
1050 Notre Dame
Avenue
Sudbury, ON
P3A 5C1
1-800-959-5525

Windsor
Windsor District Office
185 Ouellette Avenue
2nd Floor
Windsor, ON
N9A 5S8
1-800-959-5525

Thunder Bay
Thunder Bay District
Office
130 Syndicate Avenue
South
Thunder Bay, ON
P7E 1C7
1-800-959-5525

Federal Corporations Tax

Corporations are required to remit their federal tax, in monthly installments, to Canada Customs and Revenue Agency. An Income Tax return is due six months after the corporation's year end. (Also see Source Deductions)

Personal Tax

All persons resident in Canada are subject to the requirements of the Income Tax Act and may be required to pay income tax on their world income. Federal and provincial tax are paid together on the personal Income Tax return. This return is due April 30 of the following year. Quarterly installments of income tax are required under some circumstances.

Sole proprietorship and partnership income is included on the individual tax return and taxed at the normal rates.

Capital Gains Tax

Only a portion of capital gains or losses are included in income; the amount to be included depends upon the tax year. Losses may only be used to reduce the amount of any gain to nil. Any excess may be applied against gains of other years. Personal residences are exempt from the capital gains tax.

Source Deductions

Businesses are required to remit the amount of Canada Pension Plan contributions, Employment Insurance contributions and Income Tax on a regular basis. The frequency of the remittance depends upon the pay period and the amount remitted.

Further information on Income Tax requirements is available, by phone or in person, from Canada Customs and Revenue Agency offices.

Canada Customs and Revenue Agency - District Taxation Offices

Belleville
11 Station Street
Belleville, ON
K8N 2S3
1-800-959-5525

Hamilton
150 Main Street West
Hamilton, ON
L8N 3E1
1-800-959-5525

Kingston
385 Princess Street
Kingston, ON
K7L 1C1
1-800-959-5525

Kitchener
166 Frederick Street
Kitchener, ON
N2G 4N1
1-800-959-5525

London
Business Window
451 Talbot St., 1st Floor
London, ON
N6A 5E5
1-800-959-5525

Ottawa
333 Laurier Avenue
West
Ottawa, ON
K1A 0L9
1-800-959-5525

Peterborough
185 King Street West
Peterborough, ON
K9J 8M3
1-800-959-5525

St. Catharines
32 Church Street
St. Catharines, ON
L2R 3B9
1-800-959-5525

Sudbury
1050 Notre Dame Ave.
Sudbury, ON
P3A 5C1
1-800-959-5525

Thunder Bay
130 Syndicate
Avenue South
Thunder Bay, ON
P7E 1C7
1-800-959-5525

Toronto East
200 Town Center Court
Scarborough, ON
M1P 4Y3
1-800-959-5525

Toronto North
5001 Yonge Street
7th Floor
North York, ON
M2N 6R9
1-800-959-5525

Toronto West
Business Window
77 City Centre Dr.
2nd Floor West
Mississauga, ON
L5A 4 E9
1-800-959-5525

Toronto Centre
1 Front Street West
1st Floor East
Toronto, ON
M5W 1A3
1-800-959-5525

Windsor
185 Ouellette Avenue
Windsor, ON
N9A 5S8
1-800-959-5525

Employer Health Tax (EHT)

The Ontario Ministry of Finance Employer Health Tax Branch, administers the Employer Health Tax Act. The Employer Health Tax (EHT) is paid by all empoyers paying wages to employees who report for work at a permanent workplace in Ontario. It also applies to employers who have employees that report for work at a workplace other than that of the employer when the wages are paid from a permanent workplace in Ontario.

All self-employed people in Ontario must pay the Employer Health Tax. As of January 1, 1999, the first $400,000 is exempt.

For further information on the EHT for Self-Employed call:
Metro Toronto Residents (416) 920-9048
All other Ontario residents: 1-800-263-7965
(TDD): 1-800-263-7776

or contact the EHT Regional Office nearest you:

Brantford
13 King George Road
Brantford, ON
N3R 6S8
(519) 754-4849
1-800-461-3806

Greater Toronto Area East
33 King Street West
1st Floor
Oshawa, ON
L1H 8H5
(905) 436-4561
1-800-265-9005

Greater Toronto Area West
5 Park Home Avenue
2nd Floor
North York, ON
M2N 6L4
(416) 222-6246
1-888-565-6433
and

1290 Central Parkway West
Suite 100
Mississauga, ON
L5C 4R3
(905) 273-9490
1-800-265-9969

Ottawa
1400 Blair Place
Suite 300
Gloucester,
K1J 9B8
(613) 746-9200
1-800-461-4909

Thunder Bay
130 Syndicate Avenue South
Thunder Bay, ON
P7E 1C7
(807) 625-5840
1-800-465-6699

Windsor
215 Eugenie Street West
Windsor, ON
N8X 2X7
(519) 250-0066
1-800-465-4021

CHAPTER 6:

PATENTS, TRADE-MARKS, INDUSTRIAL DESIGNS, COPYRIGHTS AND INTEGRATED CIRCUIT TOPOGRAPHIES

A patent is a document issued by the Government of Canada, by the Canadian Patent Office, giving a patentee the right to exclude others from making, using or selling his or her invention.

PATENTS

Under the Patent Act, as amended in 1989, a patent comes into force when granted by the Commissioner of Patents; it expires 20 years after the day on which you filed your patent application. Also after grant, you may sue for reasonable compensation for infringements that occurred in Canada from the date your application was made available for public inspection (18 months after filing) to the date of grant. Patent protection cannot be extended past the 20-year period.

Protection of patentable inventions in other countries can only be obtained by obtaining patents in those countries. By the same token, foreign patents do not protect inventions in Canada.

Persons interested in obtaining a patent should consult a qualified registered patent agent because the process is complex. Improperly prepared documentation can result in delays and a weak patent.

In addition, patent agents can advise their clients whether they are likely to be able to receive a patent and suggest patenting strategies. Patent agents are experts in conducting patent searches.

Patent applications should be made as early as possible. In Canada, patents will not be granted if they have been made public or described before filing. The one exception is a disclosure made by the applicant or someone who obtained information from the applicant less than a year before filing. Even that exception, however, can fail. Most foreign countries also reject applications after public disclosure. Inventions should not be used publicly or offered for sale prior to filing, for the same reasons.

Once issued, a patent may be assigned (the rights may be sold), or the manufacturing licensed by the inventor.

The Patent Office does not assist inventors in the development or marketing of inventions. The Patent Office is also prohibited from expressing an opinion on the patentability of an invention until a formal application has been filed.

If you believe your patent is infringed, you may sue for damages in the appropriate court. The defendant may argue that infringement did not occur, or may attack the validity of your patent. The court will determine who is right, basing its decision largely on the language of the claims. If what the defendant is doing is not within the wording of any of the claims of your patent, or if the patent is declared to be invalid for any reason, there is no infringement. The Patent Office does not defend a patent holder charged with infringement, nor will it prosecute others who infringe the patent holder's rights.

The average time from the filing of an application to the granting of a patent is about three years.

Patent marking and "Patent Pending"

The Patent Act does not require that patents be marked as "Patented". However, marking an article as patented in Canada when it isn't is against the law. You may wish to mark your invention "Patent Applied For" or "Patent Pending" after you have filed your application. These phrases have no legal effect but may serve as warnings to others that you'll be able to enforce the exclusive right to manufacture the invention once a patent is granted. Where costly tooling or marketing expenses are involved, this is frequently enough to discourage competitors.

TRADE-MARKS

What is a trade-mark?

A trade-mark is a word, a symbol, a design or a combination of these, used to distinguish the wares or services of a person or organization from those of others in the marketplace. Trade-marks come to represent not only actual wares and services, but the reputation of the producer. As such, they are considered valuable intellectual property. A registered trade-mark can be protected through legal proceedings from misuse and imitation.

There are three basic categories of trade-marks:

1. **Ordinary marks** are words or symbols that distinguish the wares or services of a specific firm or individual. Suppose you opened a courier business which you called "Giddy Up". You could register the words as a trade-mark (assuming all legal requirements were met) for the service you offer.

2. **Certification marks** identify wares or services which meet a defined standard. They are owned by one person but licensed to others to identify wares or services which meet a defined standard. Examples are: the Wool Mark owned by The Wool Bureau of Canada Limited for use on clothing and other wares and the logo of the Association of Professional Engineers.

3. **Distinguishing Guise** identifies the unique shape of a product or its package. If you manufactured candy moulded to look like butterflies, you might want to register the butterfly shape as a trade-mark under a distinguishing Guise.

The registration of trade-marks is not mandatory, but is advisable because it provides evidence of ownership and is, therefore, more easily defended. It should be noted that defence of the trade-mark is the responsibility of the owner, not the Trade-marks office.

Trade-marks are valid for a period of 15 years from date of registration, at which time they may be renewed on application and payment of a fee.

Renewals may be issued every 15 years without limitation. Trade-marks are valid only in the country in which they are issued; it is, therefore, necessary to register in countries to which exports are planned if the mark is to be protected abroad.

Individuals may prepare their own application or work through a registered trade-mark agent. It normally takes about a year from date of application to registration if no opposition or other obstacles intervene.

Trade-marks may be assigned or sold, but all such changes must be registered with the Registrar of Trade-marks.

Contact the Canadian Intellectual Property Office for a current fee schedule.

Trade Name

A trade name is the name under which a business is operated. A trade name can be registered under the Trade-marks Act only if it also serves as a trade-mark.

Quality Mark/Hallmark

A quality mark indicates the quality, quantity, fineness, weight, thickness, proportion or kind of precious metal in an article.

Precious metal articles are made from gold, silver, platinum or palladium.

Most precious metal articles do not have to be quality marked, but if a quality mark is applied, it must also carry a registered trade-mark or acceptable foreign hallmark.

A hallmark is a mark indicating the quality of a precious metal applied by a foreign country with recognized standards.

Compulsory marking is required for most hollowware, some gold plated spectacle frames and some plated flatware.

For further information please contact the:
Client Service Centre
Canadian Intellectual Property Office (CIPO)
Industry Canada
Place du Portage I
Room C-229, 2nd Floor
50 Victoria Street
Hull, Quebec
K1A 0C9
Telephone: (819) 997-1936
Facimile: (819) 953-7620
Internet: http://cipo.gc.ca
E-mail: cipo.contact@ic.gc.ca

Note: All IP act(s), guides, fee schedules and databases are available on CIPO's web site.

Industrial Designs

An industrial design is the features of shape, configuration, pattern or ornament (or any combination of these features) applied to a finished article made by hand, tool or machine. It may be, for example, the shape of a table or the shape and ornamentation of a spoon.

The advantage of registering your industrial design is that it gives you exclusive rights to your design. Registration enables you to prevent others from making, importing for trade or business, renting or selling or offering or exposing for sale or rent any article in respect of which the design is registered, and to which the design or a design not differing substantially therefrom has been applied, for up to ten years from the date of registration. Keep in mind that, unless you register your design, you can make no legal claim of ownership and have no legal protection from imitation. This is different from trade-mark and copyright protection, which allow you to claim ownership even without registration.

Only the proprietor of a design may apply for and obtain registration for an industrial design. Usually, you are considered the proprietor if you have created the design. However, if you've been hired under contract to develop a design for someone else, then that person is the proprietor and is the only one entitled to apply for registration. If you work together other people to create a design, you should file for registration as joint proprietors (unless you are all working under contract or commission).

If you have acquired ownership of a design then you may apply.

If you are an employee of a company and develop a design as part of your employment, then the employer may be the proprietor. In that case, only the employer may apply.

Industrial design registration is valid only if applied for and obtained in the name of the proprietor. You will save yourself time and expense by resolving the issue of ownership before applying for registration.

Pursuant to a provision of the Paris Convention, an international treaty signed by Canada, the office does not register any design until six months after the date of filing. Normally, it takes between eight and twelve months to have your application examined.

The office examines applications on a first-come, first-serve basis. If your application is properly prepared, registration will occur as quickly as possible. But if the application is not complete or incorrectly completed, the process will take longer, in which case the speed of registration will depend very much on how quickly you respond to queries, requests for changes, and other information from the office.

Registration is for a ten-year term beginning at the date of registration. However, before the expiry of five years from that date, a maintenance fee must be paid or the protection will cease. Once the ten-year term has expired, anyone is free to make, import, rent or sell etc., the design in Canada.

You may file your own application for industrial design registration, and the Industrial Design Office will give you the basic information you need to do so. The office will not, however, prepare your application or conduct a preliminary search of existing designs.

The office will not express an opinion about the aesthetic or commercial merits of your design or tell you in advance of filing whether it qualifies for registration.

However, drafting an application requires much careful attention to detail and knowledge of the regulations. For this reason, you may hire a patent agent to prepare and "Prosecute", that is, to follow through on your application. Most industrial design applications are done in this way. Patent agents are experienced in the field.

Once approved by the examiner, your design will be registered as soon as possible providing you have not requested delayed registration. You will receive a certificate of registration which includes the application and the drawings of the registered design. This certificate is evidence of ownership and the originality of your design and gives you the exclusive right to make, import for trade or business, rent or sell or expose for sale or rent in Canada, any article in respect of which the design is registered and to which the design is applied.

Registering your design with the Canadian Industrial Design Office gives you exclusive rights in Canada only. To enjoy similar rights abroad, you must apply for them in each country separately. Most industrialized countries have equivalent industrial design protection. A list of our foreign counterparts is available from the Industrial Design Office.

The Industrial Design Act and Industrial Design Regulations detail the regulations that govern design rights.

What is a Copyright?

In the simplest terms, copyright means the right to copy. Only the owner of copyright, very often the creator of the work, is allowed to produce or reproduce the work in question or to permit anyone else to do so. Suppose, for example, that you have written a novel. Copyright law rewards and protects your creative endeavor by giving you sole right to publish or use your work in any number of ways. You may also choose not to publish your work and to prevent anyone else from doing so.

What is covered by copyright?

Copyright applies to all original literary, dramatic, musical and artistic works. Each of these general categories covers a wide range of creations. Here are just a few examples:
Literary works: books, pamphlets, poems and other works consisting of text and computer programs.
Dramatic works: films, videos, plays, screenplays and scripts.
Musical works: compositions that consist of both words and music only (note that lyrics without music fall into the literary works category).
Artistic works: paintings, drawings, maps, photographs, sculptures and architectural works.

The word "original" is key in defining a work that qualifies for copyright protection. Naturally, you cannot obtain a copyright for someone else's creation. Originality can be tricky to determine, however, and many court case revolve around the question of whether a work has been copied, even in part, from somebody else's work.

Copyright also applies to three other kinds of subject-matter in addition to the works listed above:
Performer's performances: performers such as actors, musicians,dancers and singers have copyright in their performances.
Communication signals: broadcasters have copyright in the communications' signals that are broadcast.
Sound recordings: makers of recordings, such as records, cassettes and compact discs, which are called "sound recordings" in the Copyright Act, are also protected by copyright.

General Rule

The general rule is that copyright lasts for the life of the author, the remainder of the calendar year in which the author dies, and for 50 years following the end of the calendar year. Therefore, protection will expire on December 31 of the 50th year. After that, the work becomes part of the public domain and anyone can use it. For example, Shakespeare's plays are part of public domain; everyone has equal right to produce or publish them. This rule applies to all categories of works except those to which special rules apply. Some of the more important special rules are listed below.

Photographs

Thee are three possible terms of copyright protection for a photograph:

1. where the author is a natural person, the term of protection is the remainder of the calendar year in which the author dies, and for 50 years following the end of the calendar year.

2. If the author of the photograph is a corporation in which the majority of voting shares are owned by a natural person who is the author of the photograph (e.g. a commissioned photograph), then the term of copyright protection is the remainder of the calendar year in which the author dies, and for 50 years following the end of the calendar year.

3. If the author of the photograph is a corporation in which the majority of voting shares are not owned by a natural person who is the author of the photograph (e.g. a commissioned photograph), then the term of copyright protection is the remainder of the year of the making of the initial negative or plate from which the photograph was derived or, if there is no negative or plate, the remainder of the initial photograph, plus 50 years.

Joint authorship

In the case of a work which has more than one author and the term is measured by the life of the author plus 50 years, the term will be measured using the life of the author who dies last and 50 years following the end of that calendar year.

Unknown Author

In the case of a work where the identity of the author is unknown, but the work is protected for the life of the author, the copyright subsists for whichever of the following terms ends earlier:

1. The remainder of the calendar year of the first publication of the work and a period of 50 years after that;

or

2. The remainder of the calendar year of the making of the work and 75 years after that.

You do not have to register your copyright to have protection in Canada, but when you register with the Copyright Office, you receive a certificate which can be used to your advantage in the event that your work is infringed.

A certificate of registration is evidence that your work is protected by copyright and that you, the person registered, are the owner. In the event of a legal dispute, you do not have to prove ownership; the onus is on your opponent to disprove it.

You register a copyright by completing an application and sending it to the Copyright Office, along with the appropriate fee.

Indicating Copyright

There is no requirement to mark your work under the Copyright Act. The universal Copyright Convention provides for marking with the symbol ©, the name of the copyright owner and the year of first publication, for example, © Jane Doe, 1986. Although not obligatory in Canada, such marking can serve as a reminder to others of a copyright as well as providing the name of the owner. Some countries that are members of the Universal Copyright Convention, but not of the Berne Copyright Convention require such markings. You may use this notice even if you have not registered your work.

Integrated Circuit Topographies

The newest kind of intellectual property

Integrated circuit topographies are now considered a form of intellectual property. Recognizing the growing impact of integrated circuit technology in virtually all fields of industry, and the need to protect Canadian innovations in this technology both nationally and internationally, Canada has introduced protection for integrated circuit topographies. Topographies are innovative, three-dimensional circuit designs in many different products. Examples of such products are automobiles, industrial robots, cameras, spacecraft and computers.

Definition and Use

Semiconductor integrated circuits are at the heart of modern information, communications, entertainment, manufacturing, medical and space technologies, and are now finding their way into items as ordinary household appliances. The Act and regulations refer to the "microchips" which embody such "integrated circuit products".

Today's integrated circuit products are constructed from a complex series of layers of semiconductors, metals, insulators and other materials on a substrate. The Act and regulations refer to the three-dimensional configuration of these layers as an "integrated circuit topography". The Integrated Circuit Topography Act provides protection against copying of registered topographies, but does not prevent others from developing integrated circuit products which use other topographies to provide the same electronic functions.

Some integrated circuit products, such as Random Access Memories (RAMs) and Read Only Memories (ROMs) may be used to store sets of instruction for electronic processors. In addition to the protection available for integrated circuit topographies embodied in such integrated circuits, the sets of instructions they store may be subject to protection under the Copyright Act as literary works, and may in some cases be patentable as industrial methods. Other aspects if integrated circuit products may also be patentable, for example, the structure and method of operation of electronic circuits embodied in integrated circuit products, or industrial processes used to manufacture integrated circuit products. Indeed, protection available under the Patent Act can be much broader than the protection available under the Integrated Circuit Topography Act, and should generally be considered in addition to protection under the Integrated Circuit Topography Act.

Protection in other countries should also be considered, particularly where significant market opportunities are expected, or where significant foreign competitors have manufacturing facilities.

Canadian Protection for Integrated Circuit Topographies

Canada's legislation to protect integrated circuit topographies is comparable to that of some other countries. The protection is provided by the Integrated Circuit Topography Act.

Canada's integrated circuit topography legislation protects the original design of a registered topography, whether it has been embodied in an integrated circuit product or not. Topographies which define only part of the structure needed to perform an electronic function may be registered. For example, topographies which define generic layers of gate array integrated circuit products, and topographies that define interconnection layers which customize gate array integrated circuit products to perform specific electronic functions, may be registered separately.

A topography will quality as original if it is developed through the application of intellectual effort, and if it is not produced by the mere reproduction of all, or a substantial part, of another topography. The Act does not protect pre-existing topographies which are commonplace among topography designers or integrated circuit product manufacturers.

Registration

For the owner of a topography to have rights under the Act, the topography must be registered. The creator of the topography (the owner) or the successor in title may apply for registration of the topography.

The Registrar of Topographies, will not examine a topography to determine originality or compliance with the requirements of the Act. However, the Registrar has authority to reject an application if the creator does not meet the nationality requirements; or, if an application for an exploited topograpy is received more than two years after the date of first commercial exploitation anywhere.

To register a topography, you should obtain the appropriate forms from CIPO, put the appropriate information on the forms, including title or titles of topography, date and location of first commercial exploitation, name and address of applicant, and applicant's interest in the topography, and a description of the nature or function of the topography, and submit the completed forms to the Copyright and Industrial Design Branch of CIPO. In addition, you must submit a complete set of overlay sheets, drawings or photographs of the topography. Under certain conditions, some confidential information can be omitted from the drawings or photographs of the topography.

Please note that the application must be filed within two years of the first commercial exploitation of the topography.

Marking

While marking of integrated circuit products is not obligatory, it is advisable to mark a product with a title corresponding to the registered title or titles. Failure to do so may constitute a valid defence in an infringement action if a defendant can prove having had no knowledge of the registration of the topography.

CHAPTER 7:

CERTIFICATION

Certification/approval is required on electrical apparatus, pressure vessels, pressure regulators, gas appliances, industrial buildings, commercial buildings, farm buildings, residential buildings, alterations to buildings, electrical wiring, electrical panels, electrical control systems, plumbing equipment, plumbing installations, plumbing hookups to external systems and a wide range of other consumer, commercial, industrial and scientific products.

REGULATORY BODIES

Regulatory bodies generally have arrangements with similar foreign agencies and international standards organizations. Enquire at:

Canadian Standards
& Canadian Gas Associations
178 Rexdale Blvd.
Rexdale, ON
M9W 1R3
Tel: (416) 747-4000
1-800-463-6727
www.csa.ca

Underwriter
Laboratories of Canada
7 Crouse Road
Scarborough, ON
M1R 3A9
Tel: (416) 757-3611
www.ulc.ca

ELECTRICAL SAFETY AUTHORITY (ESA)

All electrical wiring installations, whether residential, commercial or industrial, must be approved by Electrical Safety Authority inspectors.

In addition, ESA may issue special inspection approval for custom equipment not in regular manufacture, limited quantity production, imported machine tools or other equipment intended for in-plant use but not for resale, and special situations where it is not practical to submit the equipment for regular C.S.A. approval.

Enquiries should be directed to the Electrical Safety Authority office in your area or to:

Electrical Safety Authority
155A Matheson Blvd.
Mississauga, ON
L5R 3L9
Tel: (905) 507-4949
www.esainspection.net

TRADE CERTIFICATION

Trade certification prevents unqualified persons from working at certain skilled occupations which provides protection and confidence for the public.

Compulsory Certification

Compulsory certification means that only persons holding a Certificate of Qualification or are registered apprentices are permitted to work in the skilled occupation unless exempted by the regulation. These skilled occupations are:

Alignment and brakes mechanic
Auto body repair
Barber
Construction maintenance electrician
Domestic and rural electrician
Fuel and electrical systems mechanic
Hairdresser
Hairstylist
Hoisting engineer - tower crane
Hoisting engineer - mobile crane
Motorcycle mechanic
Motor vehicle mechanic
Plumber
Refrigeration and air conditioning mechanic Sheet metal worker
Steam fitter
Transmission mechanic
Truck-trailer repairer
Watch repairer

Voluntary Certification

In some skilled occupations, tradespeople may obtain a Certificate of Qualification if they serve an apprenticeship or can show proof of training and/or experience and pass the required examination. However, it is not mandatory to have a certificate to practise the occupation. The trades in this category are:

- Assistant cook 1
- Automatic machinist
- Automotive painter
- Baker 2
- Baker-patissier
- Boat motor mechanic
- Brick and stone mason
- Cement mason
- Construction boilermaker
- Construction lineman

- Construction millwright
- Cook 2
- Dry cleaner
- Farm equipment mechanic
- Fitter (structural/platework)
- General carpenter
- General machinist
- Glazier and metal mechanic
- Heavy duty equipment mechanic
- Horticulturist - nursery greenhouse worker
- Horticulturist - landscape greenskeeper
- Industrial electrician
- Industrial mechanic (millwright)
- Industrial painter
- Industrial woodworker
- Ironworker
- Junior baker 1
- Lather
- Marine and small powered equipment mechanic
- Mold maker
- Plasterer
- Power lineman
- Printer -
  - Letterpress - job shop
  - Lithography - job shop
  - Offset press - plant
- Linotype operator/Compositor
  - Pressman - letterpress
  - Compositor - typesetting, photo typesetting
  - Compositor & camera technician
- Radio and television service technician
- Small engine mechanic
- Small engine mechanic (construction)
- Sprinkler and fire protection installer
- Tool and die maker

The value of this certificate is that it proves recipients are qualified in their trades to Ministry of Training, Colleges and Universities standards.

Contact:
Ministry of Training, Colleges and Universities
Workplace Support Services Branch
Appreticeship and Client Services
17th Floor Mowat Block
900 Bay Street
Toronto, Ontario
M7A 1L2
Tel: Training Hotline (416) 326-5656
1-800-387-5656

CHAPTER 8:

LABOUR REGULATIONS

Standards for employment and occupational health and safety are established and controlled by the Ministry of Labour, which administers and enforces the Employment Agencies Act, the Employment Standards Act, and the Occupational Health and Safety Act. The Ministry is also responsible for the Centre for Disability and Work. Reporting to the Minister of Labour are: The Pay Equity Commissioner and The Workplace Safety & Insurance Board.

For information regarding occupational health and safety, minimum wage, working hours and so on, contact the Ministry of Labour office nearest to you. Consult the blue pages in your local telephone directory for additional information.

You may also enquire at:

The Ontario Ministry of Labour
Communications and Marketing Branch
Information Centre
400 University Ave.
12th Floor
Toronto, ON
M7A 1T7
Tel: (416) 326-7400

EMPLOYMENT STANDARDS

The Employment Standards Act applies to most employees and employers in the province of Ontario. There are certain exceptions, and these are covered in detail in a pamphlet, "A Guide to the Employment Standards Act", available from the Ontario Ministry of Labour, Communications and Marketing Branch. The pamphlet also outlines:

- who is covered by the Act and its general application;
- hours of work;
- minimum wage;
- homeworkers;
- public holidays;
- overtime pay;
- vacation pay;

- equal pay for equal work;
- benefit plans;
- pregnancy leave and parental leave;
- termination of employment;
- severance pay;
- payments on termination
- agricultural workers;
- domestics;
- lie detectors;
- retail business establishments;
- general administration.

Minimum Wage

General hourly rate:	$6.85
Hourly rate for persons employed to serve liquor in licensed premises:	$5.95
Student, hourly rate. This rate applies to students under 18 who work 28 hours per week or less during the school term and more or less than 28 hours per week during school holidays.	$6.40

Rates effective at time of publication; subject to revision.

Vacation Pay

After one year of service, employees are entitled to two weeks vacation with pay. The vacation pay must be at least 4 percent of the total wages for the year for which the vacation is given.

An employee who terminates before completing one year of employment must receive 4 percent of total wages calculated from the first day employed.

The employer shall decide when the vacation is given. It may be a two-week period or two periods of one week each. The two weeks vacation must be given within 10 months after the employee has earned it.

The employee's vacation pay entitlement must be paid within one week of termination of employment.

Vacation pay benefits apply to full-time, part-time and student employees.

Equal Pay

No employer or person acting on behalf of an employer shall differentiate between male and female employees by paying a female employee at a rate of pay less than the rate of pay paid to a male employee, or vice versa, for substantially the same kind of work performed in the same establishment, the performance of which requires substantially the same skill, effort and responsibility and which is performed under similar working conditions, except where such payment is made pursuant to:

- a seniority system;
- a merit system;
- a system that measures earnings by quantity or quality of production; or
- a differential based on any factor other than sex.

Additional information may be obtained from the Ontario Ministry of Labour.

Source Deductions

Businesses are required to remit the amount of Canada Pension Plan contributions, Employment Insurance contributions and Income Tax on a regular basis. The frequency of the remittance depends upon the pay period and the amount remitted.

Further information is available, by phone or in person, from Canada Customs & Revenue Agency District Offices. (See page 66 for locations and phone numbers).

The Source Deductions Unit has a complete kit of information for new business people and welcomes the opportunity to discuss and explain the regulations. No appointments are necessary.

Workplace Safety and Insurance Board

Most businesses in Ontario that employ workers must register with the Workplace Safety and Insurance Board (WSIB). You will need to contact the WSIB within 10 days of hiring your first full or part-time worker. This includes family members.

You can also insure your workplace on a voluntary basis if your business activity is not automatically covered.

Sole proprietors, partners and executive officers are not automatically covered under the WSIB insurance plan, but you can apply for optional insurance by calling the WSIB.

When you register with the WSIB, you gain access to a province-wide network of health and safety training and resources to help you and your workers avoid injuries and illnesses.

The workplace insurance is no fault. It protects your business from lawsuits by providing benefits for your workers in case they get injured or ill at work.

Benefits include wage loss and disability benefits, as well as the health care costs resulting from those work-related injuries and illnesses.

In addition, the WSIB helps you manage these claims to minimize lost productivity and contain costs. Their expert claims team includes a registered nurse to ensure your worker receives quality health care at the right time. The focus is on getting your worker better and back to work, safely, and as soon as possible.

When you register with the WSIB, you will be asked to describe the product you produce, the goods you sell or the services you provide. Based on this information the WSIB will determine your rate group. Businesses in a rate group share the same premium rate.

You will also be asked to provide an estimate of your yearly payroll. This information will allow the WSIB to determine how often you will report and pay insurance premiums.

The best way to keep your insurance and related costs down is to run a safe business.

As an employer, you must do everything possible to protect your workers from injury or illness. Put in place emergency procedures. Inform and train your workers. Make sure safety is part of everyone's job – yours included.

If you are establishing a new business, remember to call the WSIB and register within 10 days of hiring your first worker.

It's easy to register. You can contact the WSIB by telephone at (416) 344 -1000 in Toronto, or toll free at 1-800-387-0750. You can also register through Ontario Business Connects.

The WSIB has information available on a variety of topics, including preventing workplace injuries and illnesses, insurance benefits, disability management and premiums. Call and talk to your customer service representative or visit the WSIB's website at www.wsib.on.ca

Occupational Health and Safety Act

The Occupational Health and Safety Act applies to all workers and work places in the province of Ontario with a few exceptions. The legislation covers:

- the general applicability of the Act;
- the responsibilities of employers, supervisors, workers and suppliers with regard to occupational health and safety;
- the establishment of joint labour and management health and safety committees;
- the control of the exposure of workers to toxic substances;
- refusals to work where health or safety is in danger;
- notification of accidents.

The Act was recently amended by Bill 208 which created an Occupational Health and Safety Agency for training, education, research and consultation. It also increased the number of businesses that require Health and Safety Committees and raised fines for corporations in violation of Health and Safety regulations.

Additional information may be obtained from the Ontario Ministry of Labour.

CHAPTER 9:

SOURCES OF INFORMATION

The Ministry of Economic Development and Trade provides counselling and assistance programs to small businesses through a network of province-wide offices and associated agencies. These offices provide initial and continuing contact for small business assistance. Local services are supplemented by seminars scheduled throughout Ontario. Self-help publications are available by mail order and through a growing number of local outlets. ***On the internet visit www.ontario-canada.com***

MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE: SMALL BUSINESS SERVICES

Seminars

The Ministry of Economic Development and Trade offers seminars on Starting a Small Business in Ontario. Seminars present information on business start-ups and also provide a forum for questions and answers. In addition, seminars are given on marketing as well as workshops on record-keeping and other start-up/business related topics. There is a nominal fee for these seminars. For further information on small business seminars contact your nearest Business Self-Help Office/Small Business Enterprise Centre.

Publications

The Ministry has established a series of self-help small business publications to support business development. In addition to "Starting a Small Business in Ontario" there are several workbooks which have been developed. Each workbook covers theory, examples of putting the theory into practice and blank forms for your use. Topics include: "How to Prepare a Business Plan" and "Marketing for a Small Business'.

The "Record Keeping Made Easy" publication will help businesses establish an easy-to-use cash management and recordkeeping system and contains all that is needed to maintain a full set of records at start-up.

These publications may be purchased for a nominal fee from your nearest Business Self-Help Office/Small Business Enterprise Centre or from Publications Ontario.

Business Self-Help Offices and Small Business Enterprise Centres

These offices offer information and advice to anyone starting or managing a business. Each office is a one-step, first stop source of information with access to the internet, resource materials and personal advice on preparing a business plan, financing, managing a business and assistance to entrepreneurs. Bolded locations represent Small Business Enterprise Centres.

• Central Ontario Locations

Brampton
33 Queen Street West;
1st Flr.
Brampton, ON
L6Y 1L9
Tel: (905) 874-2650
Fax: (905) 874-2670

Huntsville
37 Main Street East
Huntsville, ON
P1H 1A1
Tel: (705) 789-1751
Ext. 2256
Fax: (705) 789-6689

Markham
Markham Civic Centre
101 Town Centre Blvd.
Markham, ON
L3R 9W3
Tel: (905) 475-4890
Fax: (905) 475-4708

Mississauga
Central Library 4th Flr.
301 Burnhamthorpe
Road. W.
Mississauga, ON
L5B 3Y3
Tel: (905) 615-3275
Fax: (905) 615-4447

Toronto
Main Floor
North York Civic Centre
5100 Yonge Street
Toronto, ON
M2N 5V7
Tel: (416) 395-7448
Fax: (416) 395-7444

Vaughan
28 Roytec Road, Unit #1
Woodbridge, ON
L4L 8E4
Tel: (905) 264-2338
Fax: (905) 264-8566

• South-Western Ontario Locations

Brantford
City Hall
100 Wellington Sq.
Brantford, ON
N3T 2M3
Tel: (519) 759-4150
Ext. 256
Fax: (519) 752-6775

Chatham
455 Grand Avenue W.
Chatham, ON
N7M 5L5
Tel: (519) 351-1288
Ext. 2039
Fax: (519) 351-7852

Guelph
The Atrium
1 Stone Rd. W.
Guelph, ON
N1G 4Y2
Tel: (519) 826-4701
Fax: (519) 826-4721

Halton
1151 Bronte Rd.
Oakville, ON
L6M 3L1
Tel: (905) 825-6123
Ext. 7229
Fax: (905) 825-8839

Hamilton-Wentworth
64 King St. E.
Hamilton, ON
L8N 1A6
Tel: (905) 527-2752
Ext. 23
Fax: (905) 527-4878

Kitchener
200 King St. W.
P.O. Box 1118
Kitchener, ON
N2G 4G7
Tel: (519) 741-2604
Fax: (519) 745-1522

London
1764 Oxford St. E.
London, ON
N5V 3R6
Tel: (519) 659-2882
Ext. 225
Fax: (519) 659-6444

Niagara Falls
City Hall
4310 Queen St.
P.O. Box 1023
Niagara Falls, ON
L2E 6X5
Tel: (905) 356-7521
Ext. 5000
Fax: (905) 357-9293

Owen Sound
163 8th Street E.
Owen Sound, ON
N4K 1K9
Tel: (519) 371-3232
or (519) 371-8436
Fax: (519) 371-2060

Sarnia
265 Front Street N
Sarnia, ON
N7T 7X1
Tel: (519) 332-4261
Fax: (519) 332-1686

Saugeen
515 Goderich St.
Port Elgin, ON
N0H 2C4
Tel: (519) 832-2008
Fax: (519) 832-2140

Seaforth
138 Main St.
P.O. Box 1120
Seaforth, ON
N0K 1W0
Tel: (519) 527-0305
Fax: (519) 527-2240

St. Catharines/Niagara
City Hall
50 Church St., 2nd Flr.
St. Catharines, ON
L2R 7C2
Tel: (905) 688-5601
Ext. 1761
Fax: (905) 682-3631

Windsor
333 Riverside Drive West
Suite 217
Windsor, ON
N9A 5K4
Tel: (519) 253-6900
Fax: (519) 255-9987

• Eastern Ontario Locations

Belleville
284 B Wallbridge
Loyalist Rd.
P.O. Box 610
Belleville, ON
K8N 5B3
Tel: (613) 961-0590
Fax: (613) 961-7998

Cornwall
340 Pitt Street
P.O. Box 877
Cornwall, ON
K6H 5T9
Tel: (613) 933-0074
Fax: (613) 933-0745

Hawkesbury
519 Main St. E.
Hawkesbury, ON
K6A 1B3
Tel: (613) 632-7057
Fax: (613) 632-7385

Kingston
181 Wellington St.
Suite 200
Canada Trust Bldg.
Kingston, ON
K7L 3E3
Tel: (613) 544-2725
Ext. 229
Fax: (613) 546-2882

Northumberland
Dressler House
212 King St. W.
Cobourg, ON
K9A 2N1
Tel: (905) 372-9279
Fax: (905) 372-1306

Ottawa-Carleton
111 Lisgar Street,1st Flr
Ottawa, ON
K2P 2L7
Tel: (613) 560-6065
Ext. 2706
Fax: (613) 560-2102

Peterborough
210 Wolfe St.
Peterborough, ON
K9J 2K9
Tel: (705) 743-0777
Ext. 225
Fax: (705) 743-3093

Renfrew
161 Raglan St. S.
Renfrew, ON
K7V 1R2
Tel: (613) 432-6848
Fax: (613) 432-9710

Smiths Falls
77 Beckwith St. N.
Smiths Falls, ON
K7A 2B8
Tel: (613) 283-4124
Fax: (613) 283-4764

Whitby
1601 Hopkins St. S.
Whitby, ON
L1N 9N1
Tel: (905) 665-6402
Fax: (905) 665-6403

• Northern Ontario Locations

North Bay
200 McIntyre Street E.
P. O. Box 360
North Bay, ON
P1B 8H8
Tel: (705) 474-0400
Fax: (705) 474-4493
1-800-465-6892

Sudbury
Tom Davies Square
200 Brady Street
Sudbury, ON
P3E 5K3
Tel: (705) 688-7582
Fax: (705) 671-6767
1-800-668-7582

Timiskaming
467 Ferguson Avenue
P.O. Box 339
Haileybury, ON
P0J 1K0
Tel: (705) 672-5155
Fax: (705) 672-5959
1-800-361-2281

Sault Ste. Marie
99 Foster Drive
3rd Floor
Sault Ste. Marie, ON
P6A 5X6
Tel: (705) 759-5461
Fax: (705) 759-2185
1-800-565-4507

Thunder Bay
200 Syndicate Avenue S.
Suite 102
Thunder Bay, ON
P7E 1C9
Tel: (807) 625-3972
Fax: (807) 623-3962
1-800-668-9360

Timmins
54 Spruce Street South
Timmins, ON
P4N 2M5
Tel: (705) 360-8482
Fax: (705) 360-1394
1-800-461-2936

Business Program Information

Canada Ontario
Business Service Centre (COBSC)
Telephone Services:
Toll Free: 1-800-567-2345
Toronto Area: (416) 954-4636

FaxBack Services:
Toll Free: 1-800-240-4192
Toronto Area: (416) 954-8555

Access to information on Business Programs and Services offered by the Ontario and Federal Governments.

Internet: **e-mail:**info@cobsc.org
www.cbsc.org/ontario

Resource List of Associations

Following is a list of associations that can help your business venture in many ways. Some can help you with information and guidance, others by providing you with a voice for your industry or an opportunity to meet your customers and keep a high profile.

Check your telephone book for other local business associations, city-based associations and area associations.

General Business Associations

Canadian Franchise Association
2585 Skymark Ave.
Suite 300
Mississauga, ON
L4W 4L5
Tel: (905) 625-2896
1-800-665-4232 or
fax: (905) 625-9076
www.cfa.ca

Holds seminars and lunches. Provides services to member franchisors. Restricted to services for members only.

Canadian Association of Family Enterprise
1163 Sylvestor Street
P.O. Box 136
Lefroy, ON
L0L 1W0
Tel: (705) 456-4900
www.cafeuc.org

Local chapter meetings. Networks and assists members with passing on business, training heirs and dealing with other issues.

F2

Canadian Centre for Occupational Health and Safety
250 Main Street East
Hamilton, ON
L8N 1H6
1-800-263-8466
www.ccohs.ca

The centre provides occupational health and safety information through responses to inquiries, publications and a computerized information service.

The Canadian Chamber of Commerce
BCE Place
181 Bay Street
P.O. Box 818
Toronto, ON
M5J 2T3
Tel: (416) 868-6415
www.chamber.ca

Has a small business committee, an active body lobbying on the federal government level. Co-sponsor of Small Business Week. Membership fee entitles the member to copies of Ottawa Update, reflecting current federal legislation, and copies of "Impact", discussing Chamber activities.

Better Business Bureau
Metropolitan Toronto
7777 Keele Street
Suite 210
Concord, ON
L4K 1Y7
Tel: (905) 761-0115
www.toronto.bbb.org

Businesses may join national or local division only. Co-ordinates 16 offices across Canada. Local divisions assist businesses with various services. Membership not required to receive information or assistance.

Canadian Marketing Association
1 Concord Gate
Suite 607
Don Mills, ON
M3C 3N6
Tel: (416) 391-2362
www.the-cma.org

No local chapters. Represents the direct marketing industry. Services for members only.

Canadian Federation of Independent Business (CFIB)
4141 Yonge Street
Suite 401
Willowdale, ON
M2P 2A6
Tel: (416) 222-8022
www.cfib.ca

Has no local chapters. A political action group for small and medium-sized business in Canada. Services and library mainly for members only.

CSA International
178 Rexdale Blvd.
Rexdale, ON
M9W 1R3
Tel: (416) 747-4000
1-800-463-6727
www.csa.ca

Has volunteer and corporate members. Provides Canadian standards and related services for the benefit of the public, government and business. Services available to all.

Direct Sellers Association
180 Atwell Drive
Suite 250
Toronto, ON
M9W 6A9
Tel: (416) 679-8555
www.dsa.ca

No local chapters. Represents the direct selling (but not direct mail) industry in Canada. Services are for members but will try to help callers. New businesses should call their lawyers due to legal complexities surrounding direct selling.

Ontario Chamber of Commerce
2345 Yonge Street
Suite 808
Toronto, ON
M4P 2E5
Tel: (416) 482-5222
www.occ.on.ca

Local chambers. Lobby group for business in Ontario represented by 180 local chambers. Services for members only. Sponsorship not required for membership.

Ontario Crafts Council
170 Bedford Rd.
Suite 300
Toronto, ON
M5R 2K9
Tel: (416) 925-4222
www.craft.on.ca

Offers counselling to craftspeople on going into business. Monthly and quarterly bulletins and magazines for a yearly membership fee. Monthly shows in craft gallery.

Ontario Motor Vehicle Industry Council
36 York Mills Road
Suite 110
North York, ON
M2P 2C5
Tel: (416) 226-4500
1-800-943-6002
www.omvic.on.ca

OMVIC is responsible for administering Ontario's Motor Vehicle Dealers Act – MVDA. Our mandate is to maintain a fair, safe and informed marketplace in Ontario by protecting the rights of consumers, enhancing industry professionalism and ensuring fair, honest and open competition for registered motor vehicle dealers. Our adherence to these ideals is reflected in our mission statement.

Real Estate Council of Ontario
3250 Bloor Street West
Suite 600
Toronto, ON
M8X 2X9
Tel: (416) 207-4800
1-800-245-6910
www.reco.on.ca

The Real Estate Council of Ontario was established in May 1997 to administer the Real Estate and Business Brokers Act (REBBA) on behalf of the Ontario Ministry of Consumer and Commercial Relations. RECO's mandate is twofold:

- *To protect consumers*
- *To administer the regulatory requirements of the real estate industry as set down by the Government of Ontario.*

Travel Industry Council of Ontario
2700 Matheson Blvd. East
Suite 402
Mississauga, ON
L4W 4VG
1-888-451-8426
www.tico.on.ca

TICO's mission is straightforward: to promote a fair and informed marketplace where consumers can be confident in their travel purchases. Its mandate is to support MCCR's mission of maintaining a fair, safe and informed marketplace as it relates to Ontario's Travel Industry Act. This is accomplished through developing high standards and more efficient, effective and relevant regulatory mechanisms in: Consumer protection

- *Consumer education and awareness*
- *Registration, inspection and discipline of registrants*
- *Investigating and assisting with the resolution of disputes between consumers and registrants.*

Athletic Commissioner's Office
1075 Millwood Road
Toronto, ON
M4G 1X6
Tel: (416) 314-3630
1-800-268-6024

Consulting Industry

Canadian Association of Management Consultants
BCE Place
181 Bay Street
P.O. Box 835
Toronto, ON
M5J 2T3
Tel: (416) 860-1515
www.camc-consult.org

Has no local chapters. Is a trade association representing member Canadian consulting firms.

Food and Beverage Industry

Canadian Association of Specialty Foods
56 Pennsylvania Ave.
Thornhill, ON
L4K 3V9
Tel: (905) 761-9951

No local chapters. Trade association representing manufacturers, retailers, importers, distributors, brokers. Bi-monthly newsletter and group discounts for members. Educational seminars and annual trade show open to non-members.

Ontario Restaurant Association
150 John Street,
Suite 702
Toronto, ON
M5V 3C3
Tel: (416) 506-0533
Fax: (416) 506-0564
www.toronto.com

Has regional divisions. Responsible for government liaison, mailing lists and guides to suppliers for members. Services for members only.

Manufacturing Industry

Alliance of Manufacturers and Exporters Canada
Ontario Division
5995 Avesbury Rd.
Suite 900
Mississauga, ON
L5R 3P9
Tel: (905) 568-8300
Fax: (905) 568-8330
www.the-alliance.org

Seminars held throughout the province. CMA helps manufacturers run their business better. Only manufacturers can be members.

Recreation and Tourism Industry

Ontario Accommodation Association
347 Pido Road, Unit 2
RR6
Peterborough, ON
K9J 6X7
Tel: (705) 745-4982
www.ontarioaccommodation.com

No local chapters. Local motel associations are not affiliated with this association. The association represents members to government, promotes the industry and furthers member growth. Members must offer overnight accommodation under Ontario legislation.

Retail Industry

Retail Council of Canada
121 Bloor Street East
Suite 1210
Toronto, ON
M4W 3M5
Tel: (416) 922-6678
www.retailcouncil.org

Members get involved through committee work. The council represents the retail community to government. Services to members only.

Retail Merchants Association of Canada (Ont.) Inc.
1780 Birchmount Road
Scarborough, ON
M1P 2H8
Tel: (416) 291-7903

No local chapters. This is an organization for small independent retailers and provides services such as bulk buying and coupon counting. Services for members only.

Trade (Import and Export Industries)

The Alliance of Manufacturers and Exporters Canada
National
5995 Avesbury Rd.
Suite 900
Mississauga ON
L5R 3P9
Tel: (905) 568-8300
Ottawa
1 Nicholas Street
Suite 1500
Ottawa, ON
K1N 7B7
Tel: (613) 238-8888
www.the-alliance.org

Promotes exporters and exporting in Canada. Some publications are for members only.

Canadian Importers Association
438 University Ave.
Suite 1618
Box 60
Toronto, ON
M5G 2K8
Tel: (416) 595-5333
www.importers.ca

Has committees through which members can become involved. For importing, the association helps with troubleshooting and problem solving. You must be a member. For new importers, "Import Canada" Seminars are offered.

Women

General business associations for women in business

Canadian Association of Women Executives & Entrepreneurs
2175 Sheppard Ave. East
Suite 310
Toronto, ON
M2J 1W8
Tel: (416) 756-0000
www.cawee.net

Frequent meetings but most held in Toronto. Chapters elsewhere planned for the future. Members are business owners and executives in corporations. Services are not restricted to members.

Canadian Federation of Business and Professional Women's Clubs
950 Auger St.
Sudbury, ON
P3E 4A9
Tel: (705) 524-3648
Fax: (705) 524-2060
www.bpwcanada.com

Has local chapters in many Ontario cities, including Brampton, Cobourg, Dryden, Kingston, Ottawa, Toronto. Promotes equality of women in the workplace. Sponsorship not required.

Sudbury Business and Professional Women's Club
P.O. Box 2593 Station A
Sudbury, ON
P3A 4S9
Tel: (705) 671-9758

Promotes and encourages women to pursue and engage in business ownership. Services not restricted to members.

Women Business Owners Organization of Northwestern Ontario
c/o Northwest Enterprise Centre
P.O. Box 398
Thunder Bay, ON
P7C 4W1
Tel: (807) 475-6392
1-800-475-3893

For potential and established women business owners/operators. Provides direction, information sources, seminars, workshops and networking forums.

These assocations are either specific industry-focussed or act as networks for women to meet and share information. To find out if there is one in your town or city check the white pages and yellow pages or ask for referrals to such groups.

YOUTH

Junior Achievement of Canada
1 Westside Drive
Toronto, Ontario
M9C 1B2
Tel: (416) 622-4602
www.jacan.org

The purpose of Junior Achievement is to promote economic literacy and understanding of business and private enterprise among Canadian youth.

Ministry Training, Colleges and Universities
900 Bay St.,
Mowat Block
23rd Floor
Toronto, ON
M7A 1L2
Tel: (416) 326-5656
www.edu.gov.on.ca

Administers a number of youth employment initiatives. The Ministry also provides counselling services and publications to help youth secure employment.

The YMCA of Metropolitan Toronto
Enterprise Centre
42 Charles Street East
Toronto, Ontario
M4Y 1T4
Tel: (416) 928-9622
www.ymcatoronto.org

Provides free consulting, training and support to young entrepreneurs (under the age of 30 and not employed or in school on a full time basis) who are planning the start of their own business.

Ottawa YM-YWCA
Enterprise Centre
180 Argyle St., 4th Floor
Ottawa, Ontario
K2P 1B7
Tel: (613) 788-5001

Specializes in Self-Employment Training and Programs

Young Entrepreneurs Association
720 Spadina Ave.
Suite 300
Toronto, Ontario
M5S 2T9
Tel: (416) 923-9449
1-888-639-3222
www.yea.ca

Supports and promotes young entrepreneurs through workshops, newsletters and networking activities.

Canadian Youth Business Foundation
40 Dundas Street West
Suite 323, P.O. Box 44
Toronto, Ontario
M5G 2C2
Tel: (416) 408-2923
Fax: (416) 408-3234
www.cybf.ca

CHAPTER 10:

BIBLIOGRAPHY

There are many books that provide insight and knowledge for the new businessperson. These are recent publications; several have been written by entrepreneurs like yourself. Try your local public library; if these books are not available they may be able to search and reserve them for you through the public library system.

• Franchising

Franchising: A Complete Guide for Canadian Buyers and Sellers
Bev Cline
Key Porter Books, 1989
ISBN 1-55013-113-3

Franchising in Canada
Michael Coltman
Self-Counsel Press
ISBN 1-55180-094-2

Franchising in Canada: A Guide for Franchisors and Franchisees, Business, Taxation and Accounting Issues
Taylor Gilbert, David Thomson and Peter Dabbikeh
CCH Canadian Limited,
3rd Edition 1999
ISBN 1-55141-755-3

• General

The Complete Canadian Small Business Guide
Douglas A. Gray and Diana Lynn Gray
McGraw-Hill Ryerson, 3rd Edition, 2000
ISBN 0-07-086495-0

Incorporation and Business Guide
M. Stephen Georgas, LL.B.
Self-Counsel Press
16th Edition
ISBN 1-55180-219-8

Small Business Success: A Practical Guide for the Entrepreneur
Tony Fattal
CCH Canadian Limited,
2nd Edition, 1992
ISBN 0-88796-763-9

• Special-Focus Books

Home Inc.: The Canadian Home-Based Business Guide
Douglas A. Gray & Diana Lynn Gray
McGraw-Hill Ryerson Limited, 2nd Edition, 1994
ISBN 0-07-551558-X

Start and Run a Profitable Consulting Business
Douglas A. Gray
Self-Counsel Press, 5th Edition
ISBN 1-55180-106-X

Start and Run a Profitable Craft Business
William G. Hynes
Self-Counsel Press, 6th Edition
ISBN 1-55180-071-3

Start and Run a Profitable Home-Based Business
Edna Sheedy
Self-Counsel Press, 3rd Edition
ISBN 1-55180-148-5

Start and Run a Profitable Restaurant
McNeill, Cooper & Floody
Self-Counsel Press, 1st Edition
ISBN 1-55180-282-1

Start and Run a Profitable Retail Business
Dion & Topping
Self-Counsel Press, 1st Edition
ISBN 1-5180-100-0

Start and Run a Profitable Software Business
David J. Cracas
Self-Counsel Press, 1st Edition
ISBN 1-55180-309-7

• Starting and Managing a Business

The HR Book
Lin Grensing-Pophal
Self-Counsel Press, 1st Edition
ISBN 1-55180-241-4

Keeping Customers Happy
Dunkel & Taylor
Self-Counsel Press
ISBN 0-88908-790-3

Marketing Your Product
Cyr & Gray
Self-Counsel Press, 3rd Edition
ISBN 1-55180-145-0

Marketing Your Service
Withers & Vipperman
Self-Counsel Press, 3rd Edition
ISBN 1-55180-147-7

Motivating Today's Workforce
Lin Grensing
Self-Counsel Press
ISBN 0-88908-955-5

Preparing a Successful Business Plan
Rodger D. Touchie
Self-Counsel Press, 3rd Edition
ISBN 1-55180-177-9

Standard Legal Forms and Agreements
Steve Sanderson
Self-Counsel Press
ISBN 1-55180-269-4

Start Your Own Business: The Canadian Entrepreneur's Guide
Peter D. Cook
Stoddart Publishing Co. Limited, 1989
ISBN 0-7737-5309-5

Starting a Business: A Complete Guide to Starting and Managing Your Own Company
Gordon Brockhouse
Key Porter Books Limited, 1989
ISBN 1-55013-148-6

Look Before You Leap: Market Research Made Easy
Doman, Dennison & Doman
Self-Counsel Press
ISBN 0-88905-292-8

Starting a Successful Business in Canada
Jack D. James
Self-Counsel Press, 15th Edition
ISBN 1-55180-290-2

Doing Big Business on the Internet
Hurley & Birkwood
Self-Counsel Press, 2nd Edition
ISBN 1-55180-119-1

• Keeping Up To Date

Even when your business is up and running, it's important to keep on top of trends and have access to the latest ideas. Subscribe to magazines and newsletters tailored to small business. Here are some to consider.

Ontario Business Report: Ministry of Economic Development and Trade
Hearst Block
900 Bay Street
Toronto, Ontario
M7A 2E1

Profit:
The Magazine for Canadian Entrepreneurs
CB Media Ltd.
777 Bay Street
Toronto, Ontario
M5G 2M5

INDEX

A

Accountant:
  As Professional Advisor 37
  Definition 8
Acts:
  Athletics Control 55
  Bailiffs 53
  Business Practices 52
  Cemeteries 54
  Condominium 55
  Collection Agencies 53
  Consumer Protection 53
  Consumer Protection Bureau 53
  Consumer Reporting 53
  Debt Collectors 55
  Discriminatory Business Practices 55
  Food and Drug 56
  Funeral Directors and Establishment 54
  Motor Vehicle Dealers 53
  Motor Vehicle Repair 54
  Occupational Health and Safety 87
  Paperback and Periodical Distributors 54
  Prepaid Services 54
  Real Estate and Business Brokers 54
  Theatres 55
  Travel Industry 54
Articles of Incorporation 43
Assistance:
  Federal/Provincial 29, 92
  Financial 27
  Ministry of Economic Development and Trade 88
Associations, see Business Associations

B

Bailiffs Act 53
Bankers as Professional Advisors 36
Banks:
  As Sources of Financing 27
Bonded Manufacturers and Bonded Warehouses 50
Bookkeeping 9
Building Code 57
Building, Importance in Location of Business 24
Business Associations:
  Consulting Industry 96
  Food and Beverage Industry 96
  General 92
  Manufacturing Industry 96
  Recreation and Tourism Industry 97
  Retail Industry 97
  Trade (Import and Export Industries) 97
  Women 98
  Youth 99
Business, Existing 20
Business, Franchise 21
Business Licence 46
Business Location Factors 24
Business, New 19
Business Plan 7
Business Plan, Computerized 39
Business Practices Act 52
Business Ratios, see Ratios 33
Business Reports 38
Business Self-Help Offices/ Small Business Enterprise Centres 89
Buying an Existing Business 20

C

Canada-Ontario Business Service Centre (COBSC) 29, 92
Capital:
  Definition 10
  Gains Tax, Federal 65
  Tax, Provincial 59
  Venture Capital 30
Certification:
  Electrical 80
  Regulatory Bodies 80
  Trade 81
Cemeteries Act 54
Collection Agencies Act 53
Competition, Importance in Location of Business 24
Compulsory Certification 81
Computer from Day One 39
Condominium Act 55
Consumer:
  Protection Act 53
Protection Bureau Act 53
  Reporting Act 53
Co-operatives 44
Copyrights 74
Corporation:
  Advantages and Disadvantages 46
  Definition 11
  Income Tax 60
  Tax, Federal 63
  Tax, Provincial 59
  Where to Incorporate 45
  see also Incorporation
Credit:
  Bureaus/Equifax 38
  Control of 28
Customers:
  Importance in Location of a Business 24
Customs and Excise 49

D

Deductions, Payroll 85
Delivery and Transportation Licences 49
Designs, Industrial, Protection of 72

E

Electrical Certification 81
Electrical Safety Authority 80
Electrical Safety Authority Inspection 80
Employment Insurance
  Payroll Deductions 85
Employment Standards 83
Enterprise Centres 89
Entrepreneurship 4, 5
Equal Pay 85
Existing Business, Purchase of 20

F

Federal Incorporation 46
Federal Taxes 62
Finances, Identified in the Business Plan 7
Financial Statements:
  Definition 12
  In the Business Plan 7
  When Buying an Existing Business 20
Financing:
  Assessing the Costs 27
  Definition 12
  Import-Export 48
  Sources 27
Franchising 21
Fuel:
  Permit 62
  Tax 59
Funeral Directors and Establishment Act 54

G

Gasoline Tax 61
Glossary of Business Terms 8
Goods and Services Tax 63
Government Support 29

H

Health:
  And Safety Regulations 87
  Occupational Health and Safety Act 87

I

Import-Export:
  Industry Associations 97
  Information 48
Income Tax 60
Incorporation:
  Advantages and Disadvantages 46
  Articles of 43
  Federal 46
  Where to Incorporate 45
  see also Corporation
Industrial Designs, Protection of 72
Industrial Space, Leasing 31
Integrated Circuit Topographies 77
Itinerant Seller 14

L

Labour Regulations 83
Land Transfer Tax 62
Lawyer as Professional Advisor 37
Lease:
  Importance in Location of a Business 25
  Types of 31
Leasing:
  As a Source of Financing 27
  Business Space 30
Licence:
  For Delivery and Transport 49
  For Leased Premises 47
  For Purchased Premises 47
  For Tourist Establishment 47
  Liquor 48
  Municipal/Business 46

Sales Tax 59
Special Regulatory 52
Limited Partnership Registration 45
Liquor Licence 48
Location of a Business 24

M

Management:
Identified in the Business Plan 7
Skills, Importance of 6
Manufacturer, Bonded 50
Marketing:
Seminars, Ministry of Economic Development and Trade 88
Definition 15
Identified in the Business Plan 7
Minimum Wage 84
Ministry of Economic Development and Trade:
Small Business Services 88
Motivation for Starting a Business 4
Motor Vehicle Dealers Act 53
Motor Vehicle Repair Act 54
Municipal Licence 46

N

Neighbourhood, Importance in Location of a Business 26
New Business, Advantages and Disadvantages 19

O

Occupational Health and Safety Act 87
Ownership:
Licence Required 47
Of Business Premises 32

P

Packaging and Labelling Regulations 57
Paperback and Periodical Distributors Act 54
Partnerships:
Advantages and Disadvantages 46
Definition 16
Income Tax 65
Registration of 45
Patent Pending 69
Patents 68
Pay:
Equal 85
Source Deductions 85
Vacation 84
Pension, Payroll Deduction for Canada Pension Fund 85
Performing Rights Societies 79
Personal Income Tax 65
Planning, Importance of 6

Pollution Control 58
Prepaid Services Act 54
Professional Advisors:
  Accountant 37
  Banker 36
  Lawyer 37
Proprietorship, Sole:
  Advantages and Disadvantages 45
  Definition 17
Protection, Importance in
  Location of a Business 26
Provincial Taxes 59
Product Safety Regulations 57
Publications Ontario inside cover

R

Ratio:
  Average Collection Period 35
  Current 33
  Debt to Equity 34
  Net Income to Equity 34
  Net Profit to Sales 34
  Operating Expense 33
  Quick 33
  Sales to Inventory 34
  Sales to Net Worth 34
Real Estate and Business Brokers Act 54
Registration:
  Of a Name 42
  Sole Proprietorship 42
Regulations:
  Labour 83
  Occupational Health and Safety 87
  Protecting Businesses 42, 52
Regulatory Bodies 52
Research Aids 38
Restrictions, Importance in
  Location of a Business 26
Retail:
  Sales Tax 59
  Space, Leasing 30

S

Safety:
  Occupational Health and Safety Act 87
Sales Tax:
  Federal 63
  Provincial Retail 59
Self-Help Offices 89
Selling to the Public,
  Regulatory Acts 52
Seminars on Starting a New Business 88
Services, Ministry of Economic
  Development and Trade 88
Small Business Enterprise Centres 89
Sole Proprietorship:
  Advantages and Disadvantages 45
  Income Tax 60, 65
  Registration of 42
Standards:
  Employment 83
  Technical 57
Suppliers, Importance
  in Location of a Business 26
Surety Bonds 51

T

Taxes:
  Federal:
  Capital Gains 65
  Corporation 65
  Personal Income 65
  Fuel 61
  Gasoline 61
  Land Transfer 62
  Retail Sales 59
  Tobacco 61
  Goods and Services 63
  Payroll Deductions for Income Tax 85
  Provincial:
  Capital 60
  Corporations 60
Technical Standards 57
Theatres Act 55
Tobacco:
  Permit 62
  Tax 61
Tourist Establishment Licence 47
Trade Certification:
  Compulsory 81
  Voluntary 81
Trade Names, Registration of 71
Trade-Marks 70
Transport Licence 49
Transportation, Importance in
  Location of a Business 24
Travel Industry Act 54

U

Utilities, Importance in
  Location of a Business 25

V

Vacation Pay 84
Vendors' Permits 59
Venture Capital 30
Voluntary Trade Certification 81

W

Wages, Minimum 84
Warehouse, Bonded 50
Weights and Measures 58
Workplace Safety and Insurance Board 85

Z

Zoning, Importance in Location
  of a Business 25